

88 Types of Turbulence When Buying or Selling a Home

Things That Can Go Wrong During Your Transaction

The Buyer/Borrower:

1. Does not tell the truth on his or her loan application.
2. Has recent late payments on his or her credit report.
3. Borrower loses job.
4. Co-borrower loses job.
5. Income verification lower than what was stated on loan application.
6. Overtime income not allowed by underwriter for qualifying.
7. Applicant makes large purchase on credit before settlement.
8. Illness, injury, divorce or other financial setback before settlement.
9. Lacks motivation to buy the house.
10. Gift donor changes mind.
11. Cannot locate divorce decree.
12. Cannot locate petition or discharge of bankruptcy.
13. Cannot locate W2s or tax returns.
14. Cannot locate bank statements or verify assets.
15. Difficulty in obtaining verification of rent from landlord.
16. Mortgage interest rate increases and borrower no longer qualifies.
17. Loan program changes with higher rates, points, and/or fees.
18. Alimony and/or child support not disclosed on loan application.
19. Bankruptcy within the last two years.
20. Mortgage payment is double the previous housing payment.
21. Borrower/co-borrower does not have steady two-year employment history.
22. Borrower brings in handwritten pay stubs.
23. Borrower switches to a job with a probation period.
24. Borrower switches from job with salary to 100% commission income.
25. Borrower/co-borrower/seller dies.
26. Buyer is too picky about property in price range they can afford.
27. Buyer feels the house is misrepresented.
28. Veteran's DD214 form not available.
29. Buyer comes up short of money at settlement.
30. Buyer does not properly "paper trail" additional money that comes from gifts, loans, etc.
31. Buyer does not bring cashier's check to title company for closing costs and down payment.

The Seller:

32. Loses motivation to sell (job transfer does not go through, reconciles marriage, etc.).

33. Cannot find a suitable replacement property.
34. Will not allow appraiser inside house.
35. Will not allow inspectors inside house in a timely manner.
36. Removes property from the house the buyer believed was included.
37. Cannot clear up property liens – is short on cash to close.
38. Did not own 100% of property as previously disclosed.
39. Encounters problems getting partners' signatures.
40. Leaves town without giving anyone Power of Attorney.
41. Delays the projected move-out date.
42. Did not complete the repairs as agreed to in contract.
43. House goes into foreclosure before settlement.
44. Misrepresents information about house and neighborhood.
45. Does not disclose all hidden or unknown defects and they are subsequently discovered.

The Real Estate Agent(s):

46. Has no client control over their buyers or sellers.
47. Delays access to property for inspections and appraisals.
48. Does not get completed paperwork to the Lender in time.
49. Inexperienced in this type of property transaction.
50. Takes unexpected time off during transaction and can't be reached.
51. Misleads other parties to the transaction – has huge ego.
52. Does not do sufficient homework on their clients or the property and wastes everyone's time.

The Lender(s):

53. Does not properly pre-qualify the Borrower(s).
54. Finds out about additional debt(s) after loan application.
55. Wants property repairs completed prior to settlement.
56. The mortgage market raises interest rates, points or costs.
57. Borrower does not qualify because of a late addition of information.
58. Lender requires a last-minute second appraisal or other documents.
59. Lender loses a form or misplaces entire loan file.
60. Lender doesn't simultaneously ask for all needed information.
61. Lender doesn't fund loan in time for settlement.

The Property:

62. Town or County will not approve septic system or well.
63. Termite report reveals substantial damage and seller is not willing to fix.
64. House was misrepresented as to size and condition.
65. House is destroyed prior to settlement.
66. House is not structurally sound.
67. House is uninsurable for property insurance.
68. Property incorrectly zoned.
69. Portion of house sits on neighbor's property.
70. Unique house and comparable properties for appraisal difficult to find.

The Escrow/Title Company:

71. Fails to notify lender/agents of unsigned or unreturned documents.
72. Fails to obtain information from beneficiaries, lien holders, insurance companies or Lenders in a timely manner.
73. Lets principals leave town without getting all necessary signatures.
74. Loses or incorrectly prepares paperwork.
75. Does not pass on valuable information quickly enough.
76. Does not coordinate well, so that many items can be done simultaneously.
77. Finds liens or other title problems at the last minute.
78. Does not resolve issues or clouds on title in a timely manner.

The Appraiser:

79. Is not local and misunderstands the market.
80. Is too busy to complete the appraisal on time or as scheduled.
81. Little or no comparable sales are available.
82. Is not on the Lender's "approved list."
83. Makes important mistakes on appraisal and brings in value too low.
84. Lender requires a second or "review" appraisal.

Inspectors:

85. Pest inspector not available when needed.
86. Home inspector not available when needed.
87. Pest and/or home inspector too picky about condition of property.
88. Inspection reports alarm buyer and sale is canceled.