

Real Estate Today

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Buyer Can Jeopardize Closing By Making Innocent Mistakes

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Earlier this month I had a closing postponed because of an innocent action taken by the buyer. Let it be a lesson to you not to make a similar mistake.



In the days before a closing, a wise lender will run a fresh credit report on the buyer and verify employment just to make sure that nothing important has changed.

Every so often an excited buyer will decide to celebrate their new home purchase by buying a new car or new furniture. Or, as happened with me, the buyer (represented by another agent in the purchase of my listing) changed his work status from salaried employee to independent contractor. When the lender called to verify employment a day or two before the closing, the employer said, "No, he's no longer an employee here." The change in status didn't affect the ability of the buyer to afford the new house, but the loan underwriting process had to start all over again and the closing was delayed by over a week as a result.

Keep this in mind if you're a home buyer. Don't make any changes in your debt or credit levels or employment status until after you close on your new home!

Some Title Insurance Advice

Who selects the company which will provide title insurance and closing services for a real estate transaction?

Listing agents would like you to think they do, but in fact the seller makes that choice subject to the concurrence of the buyer. Before any title company can start processing a transaction, it must have written instructions to do so, signed by both seller and buyer. In reality, it is rare that a buyer or seller has any idea what title company is best for them, and the listing agent will make a recommendation that has little to do with either party's best interest. That's why title reps court agents instead of the clients who pay their fees.

On a recent transaction, I created quite a stir when the listing agent sent me Closing Instructions signed by her seller but with the name of the title company omitted. Knowing that I could save my buyer hundreds of dollars by writing in Ascendant Title (whose closing fees are much lower than the listing agent's favorite title company), I did so, and faxed the form back with my buyers' signatures. Uh-oh!

It took a couple weeks for the dust to settle and for the listing agent to accept the substitution. Learning from that lesson, I now make the choice of title company an additional provision in the original contract I submit for my buyer.

This Week's Featured Listing

2-Story Golden Home Has Main-Floor Master

This home, listed this week, has a fully finished basement, plenty of custom tile work, and one of the most family-friendly backyards around! The cul-de-sac location is quiet, with homes only on one side of the street, providing unobstructed views of Golden and the Table Mountains beyond. The main-floor master in the rear of the house opens directly onto the oversized Trex deck, where the sounds of the pond and waterfall provide a great escape from city and highway noise!



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