



## **Eight Ways for a Buyer to Miss Your Closing Date**

- 1. Giving inaccurate or incomplete information.** A good loan consultant should ask thorough questions to uncover anything that could derail the approval down the road, but your buyer can help by carefully answering questions on forms and when asked. For example when asked about income they should be sure to mention if any of it is bonus or commission. If asked for addresses for the previous two years they should not leave out the apartment they only stayed in for a few months. While some omissions may be inadvertent or seem harmless if the information is discovered down the road it can cause delays and/or lead to other information being questioned.
- 2. Providing incomplete documentation.** It is also important to provide exactly what is asked for as supporting documentation. One common mistake is leaving out blank pages of bank statements. The underwriter needs to see all pages to be sure there isn't information on a missing page. The pages are generally numbered at the bottom, "Page 1 of 4", etc. If the buyer is asked to provide a letter from someone such as their CPA or an individual gifting them funds for the down payment be sure they clearly communicate what the lender needs to see in the letter. It can be time consuming and frustrating to gather documentation a second time.
- 3. Being unavailable during the mortgage process.** Mortgage underwriting standards have gotten a lot tougher in the past few years, and there are new mortgage and banking regulations being enacted all the time. During the course of your buyer's loan being processed they may be asked for additional information or documentation. They need to let their loan consultant (and real estate agent if applicable) know how to reach them in case something comes up. Responding quickly will help keep your loan's time line on track.
- 4. Opening a new line of credit.** This could mean opening a new credit card, buying a new car, buying furniture or appliances on credit, or opening store credit card. This could affect their current liabilities, debt to income ratio, and credit score, all of which are extremely important pieces of their mortgage application. They should hold off until after closing to take on any new credit or to increase the balances on existing accounts.



5. **Missing a mortgage payment.** Most lenders will recheck credit just before closing to be sure there haven't been any changes. A drop in credit score resulting from late payments could jeopardize their loan approval.
6. **Change jobs.** A change in employment or income will likely mean your buyer's loan application must be re-examined. If a new job is in a new field or compensation switches from salary to commission it could affect their ability to qualify for the mortgage.
7. **Working with a disjointed team.** As stated earlier many of the reasons a loan would fail to close on time are not controlled by the borrower. They are in the hands of the many professionals involved in the process such as the loan consultant, real estate agent, processor, underwriter, appraiser, inspector, insurance agent, and escrow agent.
8. **Being unavailable for closing.** Both parties may not know the exact date and time until a few days before so it is helpful if you can plan the closing for a time both of you can be flexible. If one party needs to travel out of the area around the time of closing they may be able to do what is called a "mail away closing" where they are sent the documents or designate a "Power of Attorney" to someone to sign for them. If special arrangements to be made, notify the loan consultant and all other parties as early as possible as they will take time to arrange.