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88 Types of Turbulence

Things that might go wrong during your transaction.

The Buyer/Borrower

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

The Seller

36. Loses motivation to sell (job transfer cancelled, reconciles marriage, etc.).
37. Cannot find a suitable replacement property.
38. Will not allow appraiser inside home.
39. Will not allow inspectors inside home in a timely manner.
40. Removes property that the buyer believed was included.
41. Cannot clear up liens-is short on cash to close.
42. Did not own 100% of property as previously disclosed.
43. Encounters problems getting partners' signatures.
44. Leaves town without giving anyone Power of Attorney.
45. Delays the projected move-out date.
46. Did not complete the repairs agreed to in contract.
47. Seller's home goes into foreclosure during escrow.
48. Does not disclose all hidden or unknown defect and they are subsequently discovered.
49. Misrepresents information about home and neighborhood.
50. Builder miscalculates the completion date of new home.
51. Builder has too many cost overruns.
52. Final inspection on new house does not pass.
53. Seller does not appear for closing and won't sign papers.
54. Have no client control over buyers or sellers
55. Delays access to property for inspection and appraisals.
56. Unfamiliar with their client's financial position-do they have enough equity to sell, etc.
57. Does not get completed paperwork to the lenders in time.
58. Inexperienced in this type of property transaction.
59. Takes unexpected time off during transaction and can't be reached.
60. Misleads other parties to the transaction-has huge ego.
61. Does not do sufficient homework on their clients or the property and wastes everyone's time.

The Realtor(s)

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The Property

62. County will not approve septic system or well.
63. Termite report reveals substantial damage and seller is not willing to fix or repair.
64. Home not structurally sound.
65. Home is destroyed prior to closing.
66. Home was misrepresented as to size and condition.
67. Home is uninsurable for homeowner's insurance.
68. Property incorrectly zoned.
69. Portion of home sits on neighbor's property.
70. Unique home 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 principles 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. Does not bend the rules on small problems.
78. Finds liens or other title problems at the last minute.

The Appraiser

79. Is not local and misunderstands the market.
80. Is too busy to complete the appraisal on schedule.
81. 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.

The Inspectors

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

