

TitleTalk

NEWS YOU CAN USE

MSC Title

April 2014



Dear Agents and valued customers,

The current lending environment has changed dramatically from the days of the limited, streamlined, and, of course, no documentation mortgage programs that were possibly present and popular the last time you secured financing for a real estate transaction. In this month's newsletter, we offer some top tips that will hopefully make closing on your financed purchase as swift and timely as possible in this new world of mortgage lending.

Sincerely,

Laura Bowers, Managing Director



Top Tips to avoid a delay in closing on your financed purchase...

- **Often borrowers supply incomplete bank or financial statements which will create a delay in the loan process. Your bank or financial statement MUST include your name, date and be complete, meaning if your statement is two sided, even if it is blank, it must be submitted.** Failure to provide complete copies is the number one reason loans in process are delayed. Another item to point out, if any bank or financial statements are generated through the internet you need to be sure that the URL address is located somewhere on every page.
- **Do not purchase ANY large ticket items.** This could affect your credit score and loan approval and you may be required to pay off the purchase if bought on credit in order to qualify for the loan.
- **If you plan on liquidating funds for your required cash needed for closing, you should do so no less than one week prior to scheduled closing date.** The gathering of the additional documentation that is required for the liquidation of these funds can be cumbersome and cause unwanted anxiety and delays. If you must liquidate less than one week prior to closing, be

prepared to provide your lender 1) information from your financial institution detailing the transaction/ transactions utilized to liquidate funds, (2) an updated copy of the account statement indicating what funds are now available in a liquid account, (3) wire information confirming the outgoing funds from the financial institution to the closing agent.

- **Securing adequate homeowners insurance as early in the process of the financing transaction as possible is highly recommended in preventing delays in meeting the scheduled closing date.** Often times, and especially with out-of-state buyers, they are not prepared for the nuances, obstacles and premiums associated with homeowner's insurance coverage here in Florida. So not only do buyers start this process far later during the financing transaction than recommended, they also then attempt to shop around for the best premium and coverage their money can buy. While we by no means discourage the need or desire to shop for the best deal, often times the process puts tremendous pressure on buttoning up the final steps of the financing.



We offer some top tips that will hopefully make closing on your financed purchase as swift and timely as possible...

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- Be wary of making deposits into your bank account that are not regular paychecks, commissions, social security payments, or regular dividends. Doing so will require you to provide additional documentation sourcing where those funds came from. This can create delays, particularly if you do not have immediate access to proof of the source of funds. You should either suspend making these deposits into the account where the funds will be withdrawn for the closing, or be prepared to provide documentation such as a written and signed letter explaining the deposit, and documentation to show the source of the deposited funds. Every lender will require this in order to move the loan forward to the closing department.
- Working with a local lending partner makes all the difference in the world. Often borrowers use out of state lenders that are not familiar with the nuances of financing property in Florida, thus creating delays.

We frequently work with our partner Movement Mortgage, and the difference in the loan process is far more seamless because they know the particular nuances with lending on property in our area. We encourage you if nothing else, to get a second opinion from Movement Mortgage. They may be contacted at 941-308-2222 or 877-326-9400.

- Your credit score is directly affected by changes such as numerous companies looking at your credit to extend your credit lines, new accounts opened, large balance increases, etc. During the process of your mortgage shopping or approval it is a good idea to refrain from any large purchases, or even instances where you get qualified for a purchase, as these could cause your score to drop from your last update and jeopardize your approval process.



We hope this information will prepare you for your financing and ensure a smooth closing that takes place on time.

Michael Saunders & Company
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