

4 Ways to Avoid Surprises at the Closing Table

A lot of work goes into getting to the closing table when you are purchasing a home. Here are some tips you should adhere to help thwart any last minute glitches or hitches that could come between you and your new home – or your cash.

1. Halt Major Money Moves

From pre-approval to closing, lenders are watching your credit report. Avoid any major changes to account balances, credit limits, or other money-related activity that could change your financial status in any way. This includes large deposits (other than your normal income) that come in before or during escrow. If you have them, be prepared to explain them and document their source or they could stand in the way of your loan. Other common last-minute money hang-ups include new credit accounts and new collections or judgments.

2. Tell the Whole Truth

Be up front and honest with your agent and loan officer from the beginning and you'll be much more likely to be successful when it's time to close the deal. Loan underwriters will verify and re-verify the facts on your loan application including credit, assets, marital status, employment, and more until the last minute. New mortgage guidelines have created a virtual gauntlet of multiple application reviews by multiple underwriters before you close the deal, so be sure you tell the truth.

3. Closing Documents: Read Ahead

Get and review your closing documents in advance so you can confirm important details like the interest rate and monthly payment, ask questions, and initiate any corrections in advance. With more than 300 pages to review, chances you'll be scrutinizing every line at the closing table are slim and if you do catch an error, the time it can take the lender to revise and reissue a set of papers can throw your moving calendar entirely out of whack and potentially cost you more money

4. Watch the Calendar

To avoid additional fees at the closing, stay on top of important deadlines for approvals, offers, inspections, and others. Also, make sure your real estate and mortgage brokers are in close communication, and ask them to keep you apprised of how any closing date changes affect your bottom line. A change in closing date can affect interest rates, closing costs, and other factors that adjust over time and ultimately have an impact on the size of the check you'll have to write to close the deal.

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