

# Top 10 Real Estate Closing Delays

## 1. Determining Ownership (Death, Divorce, Trusts, etc.)

Verify all owners/sellers names; make sure they are listed on your contract. If any changes have occurred in marital status, such as divorce, there may be an ownership change. If a death has occurred, we will need to determine if a probate or heirship is necessary. If the property is vested in a trust, we will need the certificate of trust to determine who the authorized trustee(s) is (are) to sign for the sale of the property.

## 2. Foreign Seller

At the listing appointment, determine if the seller is a "foreign person," as defined by applicable law. If you believe the seller could be classified as a foreign person, notify your escrow officer and all parties to the contract. A foreign person requires certain IRS documentation from both the seller and buyer with most of the obligation falling upon the buyer. A withholding equal to a percentage of the sales price will be paid to the Internal Revenue Service.

## 3. Lender Information

We are required to obtain the seller's loan payoff information. We will need the name and phone number of the lender, the loan number, and the full social security number for each person on the loan. The title company must obtain a written payoff demand from each lienholder.

## 4. Survey

If an existing survey is to be provided to the buyer by the seller per the contract, it must be accompanied with the Residential Real Property Affidavit (T47). Failure to provide the affidavit with the existing survey could result in the seller paying for a new survey. If any changes have been made to the property disclose those accordingly on the T-47 affidavit. It is likely any improvements to the property not accurately depicted on the prior survey (new deck, new fence, pool, home addition, etc.) will result in a new survey being required. Changes/additions revealed at closing could delay the closing, pending receipt of a new survey. If the prior survey cannot be located or is not approved by the title company or new lender, a new survey will be required.

## 5. Identification

Valid, unexpired U.S. government issued photo ID is required for each person signing documents. A State issued driver's license, a military ID and/or a passport are acceptable forms of identification.

## 6. Clouds on Title

Tax liens, judgments, HOA liens, missing liens, IRS liens, bankruptcy and any other involuntary liens will be addressed and some could take an extended time to clear. It is important to have open lines of communication between the seller and the title company to clear any and all clouds on title. Often the lienholder will not speak with a third party regarding these matters without authorization from the seller.

## 7. Contract Dates

All dates in the contract should be complete. The effective date is the catalyst for all requirements/conditions in the contract. Incomplete dates in the contract can lead to confusion and misunderstandings which could delay your closing and funding!

## 8. Repairs Not Completed

Agreed repairs must be completed in a timely fashion. Completion of repairs in the contract is often a lender requirement to satisfy the loan. Lenders can require the appraiser to re-inspect the property prior to closing to certify the repairs per the contract were completed and all is in good safe working order.

## 9. HOA & HOA Addendums

If the property is in a subdivision with a mandatory owners' association, pay special attention to the boxes and blanks on the contract HOA addendum indicating the party responsible for delivering the subdivision information as well as the time frame required for delivery.

## 10. Short Sales & Foreclosures

It is important to understand the process when contracting into a short sale or foreclosure. Even after the contract is signed, the current lienholder still requires the seller to go through a process before approving the sale. Patience and compliance are the key to navigating through a short sale or foreclosure. Everyone is at the mercy of the current lienholder.



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