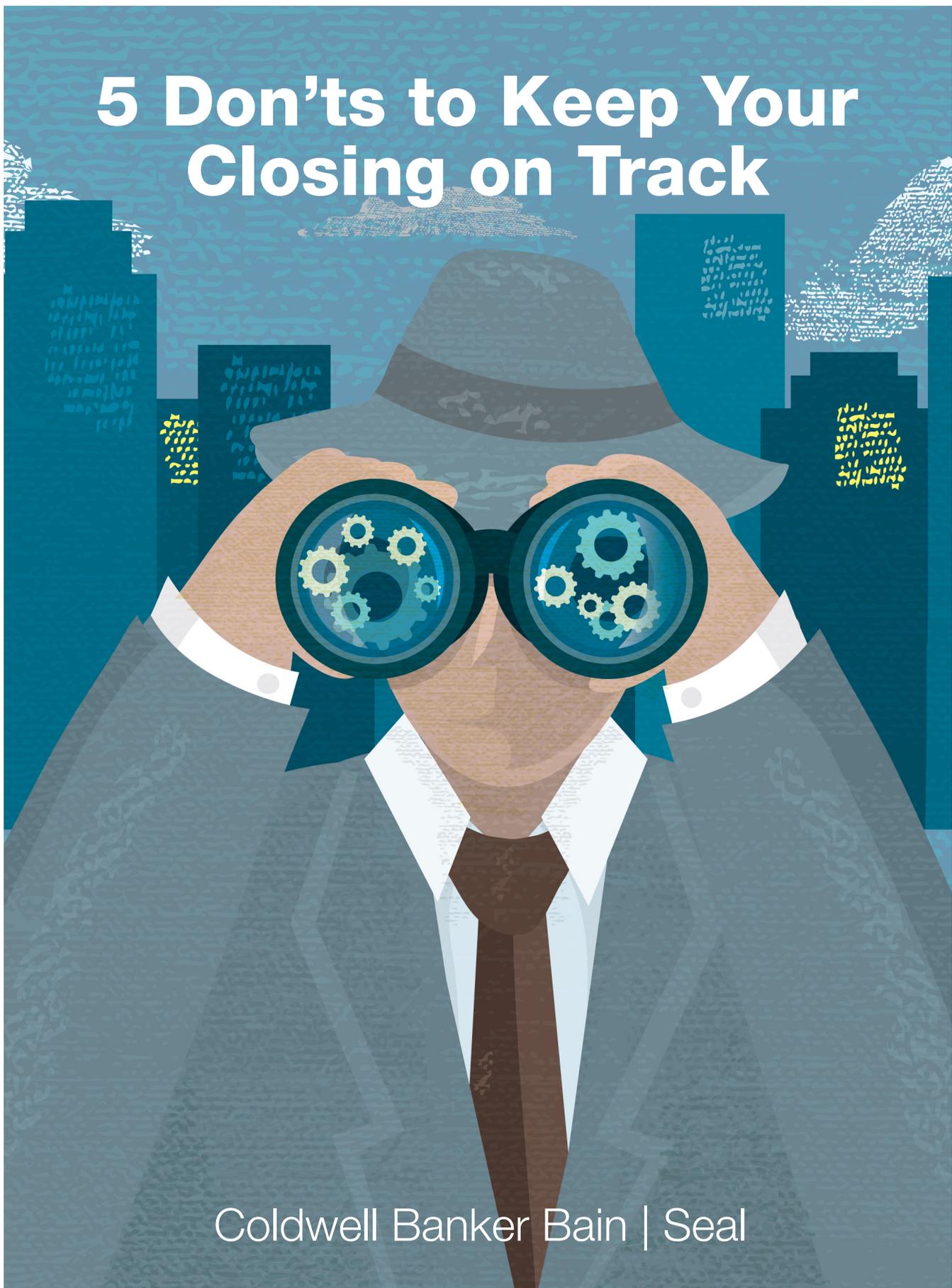


# 5 Don'ts to Keep Your Closing on Track



Coldwell Banker Bain | Seal

# Avoid these easy-to-make missteps when you're in escrow

Life is good. You're in escrow, days away from crossing the finish line of a long and winding process that started as a dream and will end with your dream house. You're so close to becoming a homeowner you can almost taste it. So now's not the time to put your closing in jeopardy. A few inadvertent missteps could ruin everything, or at the very least delay the final transaction. Avoid these five financial pitfalls to keep your closing on track.

# 1

**Don't change jobs.** Lenders love borrowers who have steady jobs because it gives them confidence that you'll be able to repay your mortgage. Taking a new job or changing career paths while you're in escrow could make your lender reassess your financial situation and you as a financial risk. Don't give your lender any reason to doubt your ability to afford a house. Hold off any job offers or career changes until after you've closed on your home.

# 2

**Don't make big purchases.** You want your new house to feel like home right away but you don't have any furniture and all of the existing appliances are avocado green. It's tempting to want to take out your credit card and go shopping, but that's a big no-no. Large purchases on your credit cards will add debt to your monthly income, and lenders use the debt-to-income ratio when evaluating a loan application. You don't want to wind up with stuff for a house you don't have because buying the stuff ultimately cost you the house.

Similarly, paying for cash isn't an option either. Banks look at cash reserves when considering a loan application, so depleting your cash on hand for a high-end refrigerator or an Eames lounge chair could work against you during escrow. Delay gratification for high-ticket items until after the house is yours.

# 3

**Don't upset your credit status.** Opening or closing credit card accounts could adversely affect your credit rating. Some lenders pull a new credit report in the last week of closing, so don't do anything that would cause your FICO score to drop. That includes paying your bills on time: Bills paid even a few days late could wreck your credit rating and cost you your loan.

# 4

**Don't move large sums of money.** Suddenly transferring a lot of money into your checking or savings accounts will cause your lender to wonder why, perhaps thinking you've scored another loan or have taken on new debt since applying for your loan. Whatever the reason, this could seriously raise concern and possibly cost you the keys to your new home. Don't risk it.

# 5

**Don't leave town.** In real estate, as in life, stuff happens. And when it does you need to be available. Lenders are notorious for asking for more information at the last minute, requests that could delay closing. Going on vacation or a honeymoon or a long business trip – even changing your mobile-phone number – could put you incommunicado when your lender or broker or escrow agent need you most. Postpone out-of-town trips or that cell-phone upgrade until after the deal is done.

**When you're in escrow you're in the homestretch of the home-buying process. But remember this: Buyers are under their lender's microscope until the last I is dotted and the last T crossed. Avoid these closing pitfalls and you'll be one step closer to celebrating in your new home.**

