

Keep Your Home Purchase on Track

You've found your dream home. Make sure missteps don't prevent a successful closing.

If a contract requires you to have a home inspection, schedule an appointment immediately.

A home purchase isn't complete until you make it to the closing. Until then, the transaction can fall apart for many reasons. Here are five tips for avoiding mistakes that cause a home sale to crater.

1. Be truthful on your mortgage application

You may think fudging your income a little or omitting debts when applying for a mortgage will go unnoticed. Not true. Lenders have become more diligent in verifying information on mortgage applications. If you fib, expect to be found out and denied the loan you need to fund your home purchase. Plus, intentionally lying on a mortgage application is a crime.

2. Hold off on big purchases

Lenders double-check buyers' credit right before the closing to be sure their financial condition hasn't weakened. If you've opened new credit cards, significantly increased the balance on existing cards, taken out new loans, or depleted your savings, your credit score may have dropped enough to make your lender change its mind on funding your home loan.

Although it's tempting to purchase new furniture and other items for your new home, or even a new car, wait until after the closing.

3. Keep your job

The lender may refuse to fund your loan if you quit or change jobs before you close the purchase. The time to take either step is after a home closing, not before.

4. Meet contingencies

If your contract requires you to do something before the sale, do it. If you're required to secure financing, promptly provide all the information the lender requires. If you must deposit additional funds into escrow, don't stall. If you have 10 days to get a home inspection, call the inspector immediately.

5. Consider deadlines immovable

Get your funds together a week or so before the closing, so you don't have to ask for a delay. If you'll need to bring a certified check to closing, get it from the bank the day before, not the day of, your closing. Treat deadlines as sacrosanct.