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# Two Concerns In a Mortgage Transaction

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## The Credit Worthiness of the Buyer

When a Real Estate deal is accepted between a Buyer and a Seller, the main attention focuses on the credit worthiness of the buyer. Most of the discussion between the Realtors involved in the deal ask, “is your buyer pre-approved?”

The focus shifts to the Buyer(s) and their qualifications to purchase a home. The questions being asked about the Buyer(s) are:

1. What is their FICO score?
2. How much income do they make?
3. How much are they going to put down?
4. How long have they been employed?

These are questions that the Mortgage Lender will have to answer in a short period of time. Hopefully, the buyer has already applied for a home loan and has supplied the Mortgage Lender with all of the proper documentation.

However, not all Buyers are ready to purchase a home. Some credit issues from the past may distort the credit report and FICO scores. Therefore, a line item or two should be disputed first to guarantee that the underwriter is viewing the ‘true’ credit picture of a borrower. There are no quick fixes to one’s credit report. Sometimes, as a Lender, we can update your credit report for the loan purposes, but please note that we cannot make the permanent changes or disputes to your credit history, only you, the borrower can make that dispute.

Want to check your current credit for free? The government has set up this site:

[www.annualcreditreport.com](http://www.annualcreditreport.com)



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## The Value and Condition of the Property

However, remember that credit worthiness is only one aspect of the transaction. A property has to be appraised for value and compared to recent sales in the neighborhood. The property’s square footage, condition, and features are all compared to other similar homes to make certain that the Mortgage Lender is willing to ‘accept’ the value of the home.

Most Buyers know the term, “Buyer Beware” and are encouraged to have a whole house inspection. This can include an inspection of the HVAC systems, the Plumbing systems, all of the Mechanical Systems as well as termite and radon tests. Once the results are reviewed, the Buyer and Seller can negotiate repairs of unacceptable conditions. However, sometimes the appraiser will note the items of issue and the underwriter, upon review of the appraisal, may ask for more specific inspections to confirm or deny any concerns about the home’s condition.

If you are purchasing a new home, the lender will ask for a final inspection, to show that the home is complete. Being complete for new home construction means all interior work is complete and an occupancy permit has been issued by the city.

As a lender, it is our job to oversee the details of your transaction and stay on top of the transaction.

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