

Always Use A Local Realtor
October 5, 2013

Dear Dave: We live in Anchorage but want to buy a property in Big Lake. Can we use our Anchorage Realtor?

Answer: Although you ‘may’ use your Anchorage Realtor, real estate services can best be provided by a ‘local’ Realtor, since knowledge of the immediate market is critical. When buying property remote from where you currently live, always seek the services of a Realtor knowledgeable in the area you are considering.

If you ask your current Anchorage Realtor’s advice, he may even be able to help you select a suitable Valley licensee.

Dear Dave: We just finalized the sale of our house after numerous delays in closing. We were told that the buyer’s loan was approved, only to find that it was ‘subject to conditions.’ Finally, after the conditions were met, the person preparing closing documents said there was a problem with the as-built survey. Another delay, and finally we closed, though very upset by this time. Is there any way you can count on a deal closing on time?

Answer: Have you heard the saying, “Don’t count your chickens before they are hatched”? Whilst about 95% of transactions close smoothly, you can never guarantee your deal is done until your licensee says that it has recorded.

Unfortunately, human error (or neglect) can creep into a transaction, causing delays, from any party involved, be it real estate licensee, lender, buyer, or even seller. I cannot overemphasize how important it is to have a diligent and experienced Realtor to assist you with your transaction. Your representative in a real estate transaction can save you a great deal of heartache by monitoring both the lender and the other parties in the contract.

I too have experienced your situation with transactions of my own. Just recently, a lender told me that a buyer’s loan was ‘approved’ when even the appraisal had not yet been ordered! It turned out that there were a total of 6 contingencies yet to be removed before closing could be considered imminent.

When a mortgage application is processed, it is up to the ‘underwriter’ of the particular institution to put the final stamp of approval on the loan, and you would think this is the end of the process but, low and behold, your question proves that it is not. The person preparing closing documents can, as in your case, find another ‘red flag’, such as the as-built survey, and hold up closing. Furthermore, you can even ‘close’, signing documents, and the lender still may determine a new oversight.

You ask if there is anything that can be done to guarantee closing on time and the answer is “No!” Whilst human error is ‘human’ and, therefore, universal by definition, you can

minimize the pain by choosing the best real estate licensees, the best lenders and the best closing agents available.

Dear Dave: When moving into an older home, which you have just closed on, is it reasonable to expect the seller to professionally clean the carpets?

Answer: It is reasonable to expect the carpets to be clean, and you should check this on your final-walk through before closing. After closing, it is difficult to force the seller to come back and clean. If you want carpets “professionally” cleaned, make sure it is spelled out in your Purchase and Sale Agreement.

Dear Dave: We are trying to buy a home on Hillside and it turns out that the septic system is in a utility easement. We are told that the Municipality will not issue a certificate approving the septic. What can we do?

Answer: If the seller can obtain a letter from the Utility Company of “Non-Objection” to the presence of the septic in the easement, then the Municipality will issue a certificate. However, you may still have problems with your financing. A letter of non-objection generally includes a paragraph to the effect that, while the Utility Company has no objection to the present status, they may ask you to move the septic system in the future. This creates a potential liability for you, and for your lender.

The other alternative is to seek a Vacation of Easement by the Utility Company whereby they permanently release all rights to the easement, thus leaving your septic system intact. However, this can take several months and is not guaranteed to succeed.

The only sure bet is to ask the seller to relocate the system. This can be tricky, depending on the soils and the size of the lot, because it must be 100 feet away from any well, on the subject lot or neighboring lot. If the seller is willing to move the septic and the 100 foot separation cannot be maintained, you could have them install an Advanced Treatment System where the Municipality will grant a waiver of the hundred foot separation requirement.

All in all, it’s a brute problem! The seller could be up for \$20,000 expense and, given the time of year, the actual work may have to wait until next summer. If the relocated system can be designed and approved now, then the Municipality will issue a Conditional Approval and, provided the seller will escrow funds from closing for the work to be performed next year, your lender will okay your financing. The amount escrowed will need to be 200 per cent of the estimated cost as the lender will not want to risk any unknown issues arising during construction.