

The final walkthrough

By ANNA CHANG-YEN | Green Shoot Media

You've cleared the hurdles of qualifying for a mortgage, finding a home you love and agreeing on a fair price with the seller.

Don't let the excitement of closing time blind you to potential issues you might find on the final walkthrough.

EXISTING HOMES

The final walkthrough is your last chance to address issues with the condition of the home. It's time to play detective, seeking out any problems that have developed since you put in your offer or were not disclosed in the contract.

The walkthrough typically is scheduled about 24 hours before closing, and your real estate agent will accompany you. It should take about half an hour.

You'll want to turn on appliances, run faucets and flush toilets, and be sure any repairs agreed to after the initial inspection have been completed properly.

Once the seller's furniture and other belongings have been removed from the home, you'll have a better opportunity to check the bones of the home. Are there large carpet stains or odors, damaged flooring beneath the bathroom rug? Are items missing that should have been included in the sale?

NEW CONSTRUCTION

If the home is newly built,



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The final walkthrough is your last chance to address any issues with the condition of the house.

the builder will likely have a representative of its warranty department conduct the final walkthrough. He will review all of the home's major systems with you, show you how to use appliances and mechanisms included in the purchase and provide warranty documents.

Take notes so the flood of information doesn't overwhelm you.

Take special note of the length of the builder's initial warranty (one or two years is common), and the procedures you must follow when requesting warranty work.

Also be sure you know

which items are covered by the builder's warranty and which are not. Routine maintenance items, such as replacing air conditioner filters, likely will not be covered; a garbage disposal on the blink or large cracks developing in the drywall during the first year likely will be covered.

REAL ESTATE 101

FHA loan requirements

If your mortgage is backed by the Federal Housing Administration, your inspection was likely a more rigorous one than is performed on other homes. FHA wants to be sure the home is in good condition before it signs off on a loan. If the inspection turns up any issues in these categories, the home will have to be inspected again before closing.

ADDRESSING ISSUES

If you find any damage or conditions requiring attention, you have options on how to proceed. You can pull out of the deal or arrange with the seller to provide a credit at closing to cover repairs. You also may delay closing until the problem has been addressed.

If all goes smoothly, you have done your due diligence and have the confidence your home is move-in ready so you can start enjoying your investment.



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HOMESWISE GLOSSARY

FHA case number: the FHA-assigned case number for FHA mortgages. FHA uses the number to identify the mortgage.

First payment due date: Usually the first payment due is on the first day of the calendar month two months after the origination month. The maximum number of days allowed between mortgage origination and the first payment due date is 62.

SOURCE: Freddie Mac

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