

## A Clever Scam Pulled on Me

I did one of my modified auction sales last year and sold a property for \$40,000 more than I had purchased the week before. I had only owned it for one week and the perspective buyer was a real estate broker (not an agent) and owned his own mortgage company. No haggling about price as is usual for these sales, and the contract was a standard FAR/BAR so we were both in agreement on the contract.

There was an issue about the escrow agent being her attorney, so I agreed to pay for the title insurance if my attorney held the deposit and did the closing. He jumped at not having to pay about \$1,440 so the contract was signed.

I gave a standard ten day inspection and had my standard clause "If for any reason, including the buyer's inability to get financing, the buyer is unable to close, he forfeits his deposit." I didn't use my "special" method of assuring the escrow payment coming to me without a Release having to be signed by the buyer because he assured me that if he didn't take it, his partner would and close for cash.

The first "storm cloud" was when a home inspector from the buyer called me and asked for the lock box number. I gave it to him and he called back later to say that there was no lock box on the house. I said I would be there in a ½ hour but he said he would be back the following day at 1:00pm. I met him there the following day at 1:00pm and he did his inspection. This was actually the day AFTER the last day for the inspection period which I didn't realize until the buyer's attorney said I intentionally wouldn't let the inspector in the property. I still believe the lock box may have been removed by this inspector, but no proof.

The next thing I hear is the buyer is unable to get financing and he is sending me the "Declination Letter" from his lender. I say "OK" but I remind him that it doesn't matter because we are out of the inspection period. I remind him that he said his partner would close for cash, but he tells me his partner changed his mind. We now start communicating through attorneys and the closing date comes and goes. His attorney drones on the issue of the inspection not being allowed timely and I call the inspector and he pleads with me to not get him involved because he does so much business with the realtor, etc.

In the final analysis, I get angry enough that I declare I am "going to court" and get my escrow. It's a bluff, but the buyer makes a conciliatory offer to split the escrow after ten days of no communication. I accept the offer and get \$2,500 sent after the realtor sends the signed Release. My option would have been to sue, win in court, pay \$3,500 in court costs and attorney's fees, and maybe even lose because I "wouldn't let the inspector see the property timely".

I learned a HUGE lesson and I hope you did from reading this Wednesday minute!

Dave Dinkel

Don't forget to take a look at these important software programs:

[www.ExcelRESoftware.com](http://www.ExcelRESoftware.com) (Failure-proof your real estate investing)

[www.RequiredFLDocs.com](http://www.RequiredFLDocs.com) (Must-have disclosure documents for every Florida investor)

[www.FSBOAutopilot.com](http://www.FSBOAutopilot.com) (For Sale by Owner Professional selling system to sell any home in one weekend)

[www.StopMyForeclosureMess.com](http://www.StopMyForeclosureMess.com) (32 Ways to Instantly Stop Foreclosure)