

Irene could delay some home sales

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Tropical Storm Irene has dumped new inspections and delays on pending home sales and refinances.

Before closing loans in a federally declared disaster area, lenders and even nervous buyers this week began requiring post-Irene property inspections. On Tuesday, mortgage insurance giants Fannie Mae and Freddie Mac issued a directive for post-Irene inspections. Some sellers and buyers must also sign affidavits on property conditions.

Bank of America estimated this would affect a third of its loans on the Island, while Continental Home Loans in Melville plans to send workers to check the exteriors of about 1,000 properties. Such inspections are typical after natural disasters.

It's to "make sure the buyer is getting the full value of the loan," said Bank of America spokesman Terry Francisco.

If anyone refuses to sign affidavits, there's no deal, said Continental chief Mike McHugh. "You've got to wonder why."

One Selden closing was postponed for two days when the home insurer refused to issue a policy until its inspector visited the house, said seller's agent Lauren Hurley at Hough & Guidice Realty in Miller Place.

"I've also had some buyers . . . drive by the house they're purchasing to verify there's no damage," she said.

The day after Irene, Bayside renter Jocelyn Dollar went to Massapequa and saw a neighbor's tree had fallen against the side of her future home. Dollar said the seller promised repairs, and she'll have to pay Continental \$150 for another inspection. But she's happy about the minimal damage.

Lenders and agents say more problems will surface, such as interest rate locks expiring or one delay affecting other deals.

At Connecticut's Total Mortgage, which will review 50 Island homes, president John Walsh fears some loans won't close by Oct. 1, when the federally insured loan limit goes from \$729,750 to \$625,500 on the Island and high-cost areas. Said Walsh: "It's going to be worse with every day."

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