

Shawn Besanson

From: Shawn Besanson
Sent: Monday, June 04, 2007 9:20 PM
To: Shawn Besanson
Subject: Internet lenders-Buyer Beware Testimonial-Patrick Hannon

From: Patrick Hannon
Sent: Monday, June 04, 2007 6:59 PM
To: Shawn Besanson
Subject: RE: hey

Hi Shawn,

I'd be glad to share my nightmare experience with an internet lender. I went with an internet lender which in the beginning was very aggressive in finding me ... I took this to be a sign that they were motivated in providing a loan. Despite my marginal credit, they were able to fashion together an imaginative "blended" loan and promised me a great rate given my credit rating. Everything went rather smoothly until about 2 days prior to closing. The internet lender called me up and said, "guess what?". My heart sank as I heard the details of how their "automated" system decided to pull another credit check just days prior to my closing. I had previously been cleared for a loan based on what I thought was a qualifying credit check, but when they unnecessarily checked my credit again, I had the bad luck of a very small and forgotten debt (\$175) from years ago placed on my credit report by a 3rd or 4th – hand debt collection agency. This dipped my credit score by 5 points or so, and this was enough to disqualify for the reasonable loan offer they had made, and my updated loan offer was 4 percentage points higher ... again, just 2 days prior to closing. I had already given my previous landlord notice of my move; new tenants had already been identified to take my apartment; my household items were already boxed up, and I had already paid the moving company the deposit for the move. I had invested an enormous amount of time and money into this transaction. It was a disaster! The internet lending company indicated that their "rules" were not flexible enough to account for this minor credit reporting event and simply wished me luck!

I would not recommend any prospective buyer use an internet lender. Although my case seemed to be unique, the timing of this "guess what?"-call was uncanny, especially considering previous warnings from my real estate agent that such events at the very end were very common with these internet lending companies. Like getting anything from the internet I suppose ... Buyer Beware.

Sincerely,
Patrick M. Hannon, Ph.D.