

Beware of Dingbats!

After hanging up from my initial phone conversation with a homeowner, I told myself, “Self, this one is going to be trouble!”

The homeowner (let’s call her Mrs. Dingbat) was wishy-washy from the start. She called our company seeking help in avoiding foreclosure, but she didn’t want to listen to, or heed, our advice. She argued with us about everything: the total amount of her payoff, the value of her home, how a Short Sale works. Heck, she even argued with us about the square footage and age of her home. We should have known!

We should have listened to common sense, followed our own instincts and run as far away from Mrs. Dingbat as we possibly could. But nooooo! We had to exercise our right to be stupid and sign her up as a Retail Short Sale client.

We explained the Short Sale process (at least 10 times), explained the possibility of a deficiency judgment or a 1099C, and made her aware of Fannie Mae’s penchant for asking for a seller’s contribution to closing. We wanted the homeowner to know all of the ups and downs of a Short Sale so that there wouldn’t be any surprises.

Although the homeowner owed \$318,000, our CMA Report showed values in the neighborhood had significantly dropped and homes were selling in the low \$200’s. And sure enough, weeks later, we received a contract for well below the homeowner’s full debt payoff. Oh, joy.

Prior to getting the contract, I had enough common sense to gather Mrs. Dingbat’s hardship letter and financials, but unfortunately, I needed updated bank statements and paycheck stubs. After my *fifth* phone call to the homeowner, I embarrassed myself by whining and begging for the documents. Whining and begging! Do you believe it? **Here we are, trying to help this homeowner avoid foreclosure, and I’m whining and begging! What’s up with that?**

The homeowner finally faxed the docs and I quickly sent the Short Sale packet to Wells Fargo. Weeks later, in the middle of my negotiations, Wells Fargo informed me that my Short Sale request was denied and our case closed at the homeowner’s request. *What?*

I quickly called Mrs. Dingbat, and after my seventh attempt (*seventh!*), she returned my call. She’d changed her mind. She wanted one of those “Obama Home Retention Loan Modification thingies.” Well, ok then.

We informed the buyers and they withdrew their offer. Weeks later (I know you’ll find this hard to believe), Mrs. Dingbat changed her mind again. She had come to the realization that she really couldn’t afford the house and wanted to sell. So like idiots, we accepted her as a client again. What is wrong with this picture?

We received a contract from another unsuspecting buyer and then spent days trying to get Mrs. Dingbat's signature. (You think we'd have learned!) I submitted the Short Sale packet to Wells Fargo, but was told that the file was still active in the Home Retention department and that Mrs. Dingbat would have to call Wells to have the file closed and moved to the Loss Mitigation department. Geez!

After countless phone calls of reputation-destroying begging and pleading, I finally persuaded Mrs. Dingbat to make the call to Wells Fargo and our file was reopened in the Loss Mitigation department. I set out to get the file accepted as quickly as possible before Mrs. Dingbat changed her mind again.

Unfortunately, not quick enough. Mrs. Dingbat – true to her nature – changed her mind again. According to the message she left on my cell phone, she *just really doesn't know what to do, but her boyfriend might move in and help her*. God help him.

What happened here? My daddy's a Marine. I should have made him proud and been tougher than that. I certainly shouldn't have allowed this lady to waste my time and money. But sometimes, I think we get so caught up in doing the job that we forget to qualify the client.

Qualifying the client and the deal is the most important job we have. If we forget that important step, we end up wasting our time on shoddy deals and dingy homeowners. I should have remembered the investor's chant: "*Who do we call? Motivated sellers!*"

Remember, don't do a deal just to do a deal. Make sure it's a deal worth doing. And make sure it's a homeowner worth working with!

By the way, Mrs. Dingbat called and asked us for help *again*. You'll be proud to know that after her *fifth* phone call to our office, I finally responded and politely declined.