



# There's never a good reason to avoid paying for a home inspection

By David Myers | Columnist

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Buyers who purchase a home without first obtaining a satisfactory inspection report run the risk of "inheriting" all of the seller's problems.

**Q. I disagree with your recent statement that all buyers should make their offers contingent on first obtaining a satisfactory report from a professional home inspector. Nearly every state requires sellers to disclose defects they know about, and buyers can sue if the seller isn't forthcoming. As a result, don't you think that paying several hundred dollars for a professional inspection is just a waste of money?**

**A.** No, paying for a home inspection is never a waste of money. Every buyer should order one, even if he or she is buying a newly constructed house directly from a builder.

True, most states require sellers to disclose any problems they know about. However, they generally cannot be held liable for failing to disclose defects they didn't know existed.

For example, say you purchased a house without ordering an inspection, and it slid off the foundation when the first rainstorm arrived. The only way you could collect damages from the seller would be to prove that he knew about the problem - or at least should have known - and failed to disclose it to you. At best, you would have to spend thousands of dollars in legal fees and countless hours in court pursuing a claim with an uncertain outcome.

Had you instead hired a professional inspector, it's likely that the inspector would have noticed telltale signs, such as fissures or buckling in the cement, that the foundation was giving way. You then could have negotiated with the seller to have the necessary repairs made, or simply use the contract's inspection contingency to cancel the sale and get your deposit back.

In short, paying a few hundred dollars for a thorough inspection is "cheap insurance" against purchasing a property that may be loaded with hidden defects that could be costly to repair.

**Q.** Sadly, our 49-year-old neighbor recently died while fighting for the Marines in Afghanistan. He and his family were planning to buy their first house with a loan guaranteed by Veterans Affairs when he finished his final tour of duty in January. Can his surviving spouse or his two grown children still use the program?

**A.** First, let me say that I'm sorry for the loss of your friend. Though his children can't use their late father's VA eligibility, his surviving spouse still can, if certain conditions are met.

The administration also operates a separate program that allows a surviving spouse who obtained a VA loan with a vet before his or her death to refinance with a lower-rate mortgage in order to reduce the survivor's housing expenses. For details on either of the two programs, call the VA's toll-free benefits hotline at (800) 827-1000 or visit its outstanding Web site, [va.gov](http://va.gov).

Q. Now I have decided to use a different broker, but he, too, wants to charge \$75 for a report. Can't he just use the one I purchased through the first broker? It's only a few weeks old, and my financial situation hasn't changed.

**A.** Sorry, but your new broker can't use the report that was ordered by your old one even though your financial situation hasn't changed.

There are a number of reasons why lenders and mortgage brokers typically insist on ordering their own reports directly from the credit bureaus. For starters, it helps cut down on fraud: Computer software has become so sophisticated that it's fairly easy for a real estate scamster to create an official-looking report in an effort to get a loan under false pretenses. Ordering the document directly from the bureaus virtually eliminates such risks.

Getting an up-to-the-minute report also reduces the chance that the lender will issue a mortgage to a borrower whose financial situation has recently taken a turn for the worse or will begin to deteriorate soon. You'd be surprised at the number of buyers who try to rush through the application process and close the loan before a pending bankruptcy or other serious black mark can appear on their record and scuttle their chances of getting a new loan.

I'm quite sure that you're not trying to pull a fast one, but your lender can't be as trusting. That's why you'll have to pay for a brand-new credit report.

- For a copy of the booklet "Straight Talk About Living Trusts," send \$4 and a self-addressed, stamped envelope to David Myers/Trust, P.O. Box 2960, Culver City, CA 90231-2960.

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