5 Ways to Lose Your Wholesale Deal (After Signing the Contract)

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I don’t want to rain on your parade, but once you have a signed contract, there are many ways the deal can still go south. Therefore, I decided to write on five ways you can lose your [wholesale](https://www.biggerpockets.com/blog/ultimate-beginners-guide-real-estate-wholesaling) deal after having a signed contract.

Here are some experiences I faced.

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1. Not Verifying All Signers

Signer verification is important. Why, you ask? If you do not have the signature of all the owners of the property, the transaction will stall. I recently went through this horrible ordeal.

Since I virtually wholesale, I do not have access to all the legal documents as I do in my local market. Because of this, I have to operate with a slight level of trust with the owner(s).

I vet the owner(s) by asking them if there are any other individuals who have interest in the property or on the title/deed. This question normally identifies whether additional signers are needed, but sometimes sellers are not forthcoming.

This occurred on a recent deal. I submitted the contract and all supporting documents to the attorney. After the attorney did his [due diligence](https://www.biggerpockets.com/blog/due-diligence-ultimate-guide?itm_source=ibl&itm_medium=auto&itm_campaign=opt), he noticed another signature was needed. The seller failed to mention this, and it killed the deal.

Learn from my experience: Get all signatures.

2. Tenants Denying Access

When [wholesaling](https://www.biggerpockets.com/blog/ultimate-beginners-guide-real-estate-wholesaling?itm_source=ibl&itm_medium=auto&itm_campaign=opt), you will run into many different situations—and not all are good.

It should be clearly written in your contract that you require access to the property during the [inspection](https://www.biggerpockets.com/rei/glossary/home-inspection?itm_source=ibl&itm_medium=auto&itm_campaign=glossary) period. This is mandatory; however, the tenants may not be so liberal in allowing strangers in their property.

Sure, the [landlord](https://www.biggerpockets.com/rei/glossary/landlord?itm_source=ibl&itm_medium=auto&itm_campaign=glossary) can give 48 hours' notice, but the tenant can still present many issues during the inspection period.

As common practice to ease any concerns with the tenants, I ask the landlord to provide their phone number, so I can speak with them directly. Once the initial viewing is conducted, rapport-building starts all over. I often build rapport with the tenant for ease of access by bringing a Starbucks gift card or something similar. Always bear gifts to minimize tension.

Still, this does not always work, and the tenant can still kill your deal.

3. Liens on the Property

I’m sure you’re aware your seller will have to produce a clear title before the transfer of real property. Always make sure a title search is conducted by an attorney (in judicial states) or the title company. Your seller may not do this intentionally, but occasionally they may try to transfer a [property with liens](https://www.biggerpockets.com/blog/property-lien-search).

I once had a seller with an IRS [lien](https://www.biggerpockets.com/rei/glossary/lien?itm_source=ibl&itm_medium=auto&itm_campaign=glossary) over $100k on a property. He accepted an offer well below the lien amount, and we could not close that transaction.

4. Poor Communication

I always tell investors to never assume and always be thorough. I am anal when it comes to this because communication can easily kill a deal. When possible, I try and walk the seller through the contract. This takes additional time, but it can eliminate so many problems on the back end of the deal.

I make sure I communicate the following:

1. The Contract Process
2. Purchase Price
3. [Earnest Money](https://www.biggerpockets.com/rei/glossary/earnest-money?itm_source=ibl&itm_medium=auto&itm_campaign=glossary) Deposit Procedure
4. Inspection Period
5. What “As-Is” Means
6. Close of Escrow Process and Figures

5. The Seller Getting Cold Feet

This is something you definitely have no control over. I used to beat myself up about a seller wanting to back out of a deal. Then, I began to understand that most sellers like to prolong things and not take action. Selling a home is no different, especially if they are emotionally attached in some way.

Sellers will want to change their mind. Before you become aggressive and let them know the legal action you can take against them, try and figure out the reason why.

This is why it’s important to actively listen when talking with the seller during the initial conversation. I introduced this [in a previous post on how to navigate the seller conversation](https://www.biggerpockets.com/blog/2014/05/03/real-estate-newbies-shut-listen/). In some cases, their situation may be something extremely simple and you can solve that problem for them.

For other sellers, you might have to become a bit more aggressive and let them know the legal recourse. Before I have the attorney contact them, we send a scare letter mailed certified with signature from the recipient needed. This will get the ball rolling on legal action, and normally this will resolve the issue.

Still, I’ll have my attorney contact them if they are not willing to comply.

Conclusion

Remember that these are only a few ways to lose out on your wholesale deal after having a signed contract. There are many other ways.

Your buyer could back out. The inspection could produce some concerns, or maybe you’re just not good at wholesaling and your intro to real estate investing should go in a different direction