

**THE SEVEN BIGGEST MYTHS
SURROUNDING
REAL ESTATE LAWYERS
IN & AROUND CHICAGO**



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THE SEVEN BIGGEST MYTHS SURROUNDING REAL ESTATE LAWYERS IN AND AROUND CHICAGO

(Can you guess which one is actually TRUE at my office?)

MYTH NO. 1: REAL ESTATE CLOSINGS ARE EASY AND ANY LAWYER CAN DO IT

I could go on all week about how completely wrong this is! The reality is that there are many, many moving parts behind the scenes of even the most seemingly 'simple' real estate transaction. Even a "good" attorney who does not regularly practice real estate law isn't going to know what he or she doesn't know. I can't even begin to tell you how many times I have seen a non-real estate lawyer 'blow' a deal for their client. Recently, I represented a seller whose buyers were represented by a criminal lawyer who was a family friend and doing the closing for free. His first of many mistakes was misinterpretation of language in the contract which resulted in a missing an important deadline – a date by which he could have otherwise requested several thousand dollars worth of repairs to benefit the buyers. It was too late. This was not the only deadline that he missed. Once we, miraculously, made it to closing, it was clear that he didn't know what the mortgage and other documents meant. The Realtor and I cringed in horror as he told the buyers to "just sign here, sign here, sign here- its standard stuff...". I felt terrible for the poor young couple in front of me- for everything that he was *not* explaining to them which he *should* have been explaining. He didn't know how to read the balance sheet and while I knew that all of the numbers

were in order, had there been a mistake on the money, he would have never caught it- of that I am sure. He did such a lousy job that after he left, the buyers apologized to everyone else still left in the room (including me) for what a mess he made from day one. I have also been on the other side of transactions where I represent buyers - and the seller's attorney doesn't know what they are doing. I remember being at a closing where the sellers used a 'friend' who 'dabbled' in real estate closings and this attorney completely failed to have documents ready in time- because she didn't know better. This resulted in a lengthy delay of several weeks for which the seller's attorney ended up having to pay compensation (out of her own pocket!) to my buyers to the tune of a few thousand dollars -for hotel charges and other costs.

The contract is filled with requirements, deadlines, and nuances- which drive the whole transaction, as well as local customs which only a local practicing real estate attorney is going to know about. You don't want to be the person sitting at the closing table making apologies for your lawyer, or worse yet- the one who is out money or sitting on the other end of a lawsuit, because of a mistake that your non-real estate attorney made while trying to do you a "favor".

MYTH NO. 2: SOME STATES DON'T USE LAWYERS FOR CLOSINGS, SO I DON'T NEED ONE IN ILLINOIS

Why it is not customary everywhere in the USA to use lawyers to assist in what is usually one's largest financial transaction, I will never understand. Especially since real estate deals all start out with a contract. Contracts are legally binding documents that impose obligations on all parties, obligations which people can and do get sued over. I guess the best answer that I can come up with is that in some other parts of the

country, real estate agents or title agents will 'practice law' to a certain extent, or come close to it, and a blind eye is turned towards it. In other parts, title companies hire lawyers to prepare legal documents. None of this applies here! Most title companies here, in the Chicago area (& suburbs) will turn sellers away if they don't have lawyers. Here, seller's lawyers typically handle the title work (this is a good thing!) and prepare closing documents, ensuring that everything runs smoothly. Even if you decide not to get a lawyer, there is a 99% chance or greater that the other party will hire one, and you aren't going to know how to respond to the letters and other requests that come your way. Hiring an attorney for your real estate closing is money well spent. Your Realtor will agree! Speaking of your Realtor, do not expect him or her to explain your documents to you at closing, they won't do it (nor will the employees of the title company, in fact- the title company will make you sign something saying they did not act as your lawyer or explain anything to you).

MYTH NO. 3: ALL REAL ESTATE LAWYERS ARE THE SAME

Do you think that all surgeons are the same? All cooks are the same? All professional athletes are the same? All U.S. Presidents have been the same? Of course not! Sure, most real estate lawyers will *probably* be able get you from 'Point A' to 'Point B' (the closed deal), but the outcome, timelines and level of service you receive may vary greatly (and remember, the level of service you receive is directly correlated to the level of stress you will feel during what is already a naturally stressful time). One thing that will happen early on in a typical real estate transaction is the negotiation of inspection items. Buyer hires an inspector and a few days later, buyer's lawyer sends a list to seller's attorney requesting repairs or a monetary credit.

As a seller, it is up to you what to do with these requests, but the input of both your realtor and your attorney will be important in helping you make your decision. Some lawyers will give you the time you deserve to talk it out- others won't. A good lawyer will also take steps to gauge the timelines and do everything possible from your end of the deal, to make sure that your house will close on time; and will give you advice on what to do if problems arise on the buyer's side (for instance, when mortgage approvals are delayed). One of the main reasons that you hire a lawyer is for his or her honest advice and experience. I have been in practice for 20 years and have seen it all in terms of other lawyers. Some are very good and others are nothing short of a nightmare for even their own clients. Many are in between. Just like in any profession. Investigate reputations on sites like AVVO and Google to see what other people's experiences have been like with any lawyer that you are thinking of hiring.

MYTH NO. 4: I HAVE TO USE THE LAWYER RECOMMENDED BY MY REALTOR

Your Realtor is likely recommending one or more attorneys because of good work he or she has seen come out of their office in the past. That is a good start, but there are other considerations. Is your Realtor recommending them because they are cheap and in turn, thinks that this is what you want or need? Price should be only one consideration, and quite frankly, not the most important- especially since most real estate attorneys charge about the same anyway. (See Myth No. 5 for more on legal fees.) Back to your Realtor recommendation, assuming that your Realtor recommends "X" and "Y" lawyers, this does not mean that his or her personality will match yours or that their style of working is compatible

with your service needs. Lots of people prefer to work with lawyers whom they already know - or simply someone independent from the Realtor. Your Realtor wants you to be happy and will understand, so don't worry about 'offending' anyone (likewise if you are buying, you don't *have to* use the lender that your agent recommends either). At the end of the day, you have to be comfortable with your selection.

MYTH NO. 5: MOVING IS EXPENSIVE SO I SHOULD JUST HIRE THE CHEAPEST LAWYER I CAN FIND

Go back and read Myth No. 3 again. Beware of bargain basement lawyers because often you get what you pay for. I fail to see how a lawyer can give top-notch service on a lowball fee case. If you ask me, lawyers who compete solely on fees are in a losing race to the bottom and often rely on a very heavy volume of cases to make ends meet. In order to meet their demands, well- let's just say that you should think this one through! You might not even be directly talking to a lawyer until you are at the closing table.

MYTH NO. 6: THE LAWYER THAT I HIRE WILL BE MY POINT OF CONTACT IN MY CASE

This one is actually true for my clients! I enjoy my job immensely and it is my mission for every case that I take, to take it personally. I want to get to know you and see you through the process from start to finish. If you have a question, it is me that you will talk to. If you send an email to my office, it is me who will answer it. That does *not* mean that I am available 24 hours a day- I am out at closings a lot, as you can imagine, and do have a busy schedule, but I still make myself accessible to clients and their realtors, and I will always be the

one to get back to you, usually same day. Some other lawyers operate the same way, but the overwhelming majority do not. It is just a different business model, and they often will assign someone else (usually a non-lawyer) to your case. Often times these workers are overstressed, overworked, and will sit at their desk all day wearing a headset (I've seen it). If you are okay with that, that's fine- but just know from the outset that you may not always get the attorney you hired to handle the all aspects of your case. You might not even get to speak to them directly.

MYTH NO. 7: I CAN WAIT UNTIL RIGHT BEFORE MY CLOSING TO HIRE AN ATTORNEY

No! At the very, very latest, you should be hiring your attorney within 24 hours of signing acceptance on your contract ('the offer') with a buyer. Most (not all) contracts will only give five days in which to have an attorney review your contract or make changes to it, and within 5 days, your buyer's lawyer will likely be sending out a letter with their "attorney review" modifications and/ or requests from the property inspection. Your lawyer also needs to get moving on ordering title and other tasks sooner rather than later, to meet your closing date. It is likely, though, that you will have legal questions even before your house is under contract, and since you are paying a flat fee (no hourly charges here), you may as well hire a lawyer as early on in the process as possible so that you can ask questions as they arise.

Feel free to call me with questions at 630 254-6552! I am here to help!