



# ILLINOIS BAR JOURNAL

The Magazine of Illinois Lawyers July 2014 • Volume 102 • Number 7 • Page 354 • July 2014 Illinois Bar Journal

## Best of ISBA Newsletters: *Representing a Home Seller? Be Ready to Act Fast*

An ISBA newsletter article urges sellers' attorneys to interview the client before the attorney-review window in the contract closes.

The ISBA publishes nearly 40 section newsletters on an array of topics. Together, the sections produce well over 200 issues each year and many hundreds of articles. Here are excerpts from one.

### ■ **6 Strategies to better represent sellers of real estate by Colleen Sahlas** **From Real Estate Law, June 2014 (newsletter of the ISBA Real Estate Law Section)**

In at least one way, a seller's attorney in a residential real estate transaction is like an emergency room doctor - he or she has to act quickly, sometimes immediately. The clock is ticking on the attorney-review provision of the real estate contract. Miss the deadline for revisions and it may be too late.

That's a key message in Colleen L. Sahlas article "**6 strategies to better represent sellers of real estate**" in the June 2014 Real Estate Law newsletter. Sahlas practices in the Law Offices of Hoy and Sahlas, Ltd., an Oak Brook-based father-daughter firm.

#### **Quiz your client first thing**

As soon as your seller-client hires you, gather essential information so you can act quickly if necessary.

For example, is he or she getting a divorce? "[C]lients in divorce proceedings often assume their soon-to-be ex-spouse does not need to be involved in the sale of their principal residence," Sahlas writes. Big mistake. "Until divorce proceedings are final, regardless of whether only one spouse is a [title-holder], Illinois law requires the signature of both spouses to effectively release, waive, or convey a homestead interest," she says.

Does your client have a mortgage? A home equity loan? "Find out about all loans your client has on the property and the approximate balances," Sahlas cautions. "Before the attorney approval expires, calculate whether or not there are adequate sale proceeds to pay off all loans/liens as well as all other anticipated closing costs."

Look for other surprises, too. "Is the property in foreclosure or has the seller defaulted on the mortgage?" Sahlas asks. "Are there any rentals, leases, or tenants at the property (don't overlook rental of parking spaces)? What are the terms? Is the buyer willing to take the property subject to

the leases/tenancies? Are there lawsuits or other judgments against your client or the property?"

These are complicating factors you want to find out about, and address, as soon as possible. "Find out now to allow yourself time to clear the defects without having to delay closing," Sahlas writes.

Another thing to ask before the attorney-review window closes - what warranties and representations must your client make according to the terms of the contract? Standard residential real estate contracts typically require disclosure by the seller.

"For example, [look at] the Multi-Board Contract 5.0, see lines 30-31 and paragraph 21. Is your client aware of government violation notices concerning the property"? Notices of property tax increases? A pending rezoning? A boundary line dispute? Find out and act accordingly.

Help your client get the best property-tax deal

"Negotiate a more accurate tax proration" for your seller, Sahlas advises. "File for any exemptions to which your client is entitled. Ensure your clients receive monies from the county to which they may be entitled for unfiled exemptions, appeals, or certificates of error which are not yet concluded."

Don't accept the standard information about tax prorations, she said. Instead, "research the property's information with the county assessor for, [e.g.,] exemptions filed or not filed. Have your client file for exemptions for the most recent and previous tax years for which they are eligible but failed to file. For example, in Cook County they may file up to the past four tax years for the homeowner's exemption if they can prove eligibility," Sahlas said.

*See Sahlas' article for more great seller's-attorney tips.*