

Buying and Selling a Home without a Real Estate Agent

CAN A PERSON BUY AND SELL A HOME WITHOUT THE HELP OF A REAL ESTATE AGENT?

No law requires you to use a real estate agent. Real Estate Agents provide many valuable services - including:

- 1) Marketing;
- 2) Contracts;
- 3) Compliance with state and federal laws;
- 4) Oversight of the various details and steps necessary to complete the transaction and financing; and
- 5) Assistance managing disputes.

Most people who sell or buy homes without the assistance of a real estate agent feel comfortable marketing their home. However, they are not aware of the various pitfalls related to contracts, compliance with state and federal laws, and transaction details. **PROFESSIONAL ASSISTANCE IS NEEDED.** If you are going to buy or sell a home without a real estate agent you need a **REAL ESTATE ATTORNEY** even before you put your home on the market.

WHAT DOES A PERSON RISK BY NOT USING AN ATTORNEY?

While some transactions go smoothly and without a hitch, potential disasters await the unwary. Here are some examples:

Example 1: A Seller used a contract for the sale of real estate purchased from an office supply store. The contract was not designed for the use in Iowa. At closing a dispute arose over responsibility for taxes and a faulty furnace. Without clear guidance in the contract concerning these issues, both parties are incurring attorney fees and may end up in court.

Example 2: A Seller failed to use disclosures required by federal law. After the transaction a child living in the home was discovered to have high blood lead levels due to conditions on the property for which disclosure and a warning were required. The Seller is now liable for: a) modification of premises to make it safe; b) the cost of testing for child; c) attorney fees; and d) the child's resulting learning disability. The Seller's liability exceeds the purchase price of the property.

Example 3: Sellers arrive at the closing table only to discover they had not prepared a document necessary for closing. Delay in the closing caused the Buyers to miss a deadline related to a lock on low interest rates. Now the Buyers have to pay a higher interest rate and want the Sellers to reimburse

them for the higher costs. Over the life of the loan, the increase in interest can equal tens of thousands of dollars.

Thus you can see that in real estate transactions, "an ounce of prevention is worth a pound of cure."

SERVICES AND FEES

The Law Office of Daniel W. Willems charges the following fees in "for-sale-by-owner" transactions:

1) Initial consultation and preparation of OFFER TO PURCHASE, together with an instruction letter and blank disclosure forms; \$400.00

(Additional consultations concerning counter offers and other matters are done by the hour.)

2) Preparation of GROUND WATER HAZARD STATEMENT, STATEMENT OF VALUE, and DEED. \$75.00

Title Opinion for residential property:

--Initial and final \$175.00

--Condominium \$225.00

Standard title cure documents. \$100.00.each

--Does not include obtaining signatures on documents or filing fees.

4) Prepare closing numbers: \$150

5) Review a HUD statement. \$150.00

6) Attend closing in Cedar Rapids \$250.00

7) Handling the real estate closing, including preparation of HUD statement, escrow services, and attending closing in Cedar Rapids. \$450.00

Notice: The stated fixed fees will be available only to clients whose matters are encompassed within the described services. For matters other than those listed above, the client is entitled to request a specific written estimate of the fees likely to be charged.

Fees listed herein are good to the end of 2009.

Notice: The determination of the need for legal services and the choice of a lawyer are extremely important decisions and should not be based solely upon advertisements or self-proclaimed expertise. This disclosure is required by rule of the Supreme Court of Iowa.

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