

A Guide to Selling a Home in Illinois

What Sellers Need to Know about Transaction Fees

In Illinois, sellers of residential real estate, including single family houses, townhomes, and condos, are responsible for paying certain transaction fees. The transaction fees are typically deducted from the proceeds that the seller receives from the sale. Since the transaction fees impact the bottom line that you will receive at closing, it is important to understand how transaction fees come into play so that there are no surprises at closing. A real estate attorney will be able to provide you with a detailed report on the total transaction fees in advance of the closing.

Several different factors impact the amount that a seller will pay in transaction fees, but generally seller transaction fees include the following:

- **Real estate broker commissions.** Real estate commissions are typically covered by the seller. If real estate brokers are involved on both sides of the transaction (i.e., both buyer and seller have their own real estate agent/broker), a total commission of approximately 5-6% will be deducted from your sale proceeds. If only the buyer has a real estate agent/broker, the total commission will be approximately 3% of the total sale price.
- **Tax credits.** Often times, the buyer will receive a real estate tax credit for that portion of the year in which the seller still owned the property. Because the amount of the tax credit will be deducted from the proceeds of the sale, the real estate tax credit is essentially a transaction fee.
- **Total mortgage loan pay-off amount.** The loan payoff may be slightly different than the “balance due” indicated on your mortgage statement so you should check with your mortgagee prior to the transaction closing date about the official mortgage loan payoff amount.
- **Attorneys’ fees.** Sellers are responsible for paying their own real estate lawyer fees, which can vary greatly depending on the complexity of the transaction. Real estate attorneys often offer a flat fee for straight-forward home sales, but in some particularly complex transactions, the attorney may charge an hourly fee.
- **Survey costs.** A plat survey should be obtained from a survey company, which can cost between \$400 and \$600.
- **Title insurance and related fees.** Title insurance is typically purchased by the seller in order to protect the buyer from title defects that existed prior to the current transaction, though the specific obligations regarding title insurance may vary depending on the terms of the contract. There are a number of options available when it comes to title insurance, each with its own fees. You should check with your attorney about the best title insurance option based on the purchase price and any risk that there are unrecorded liens, mortgages, easements, or other encumbrances on the property.

Why It Is Important to Hire a Lawyer When Selling Your Home

Sellers of residential real estate are often tempted to proceed without the assistance of an attorney, but a real estate lawyer can be critical in facilitating a smooth transaction. Not only does a real estate lawyer advocate on your behalf when negotiating the terms of the purchase/sale contract, but he or she can also do the following:

- Review your listing agreement with a potential real estate broker to ensure that you are paying the appropriate commission and getting the services that you deserve.
- Protect your legal position by advocating on your behalf when negotiating the terms of the agreement (with the exception of purchase price).
- Explain the real estate sale process and help you understand your rights and obligations in connection with the sale.
- Obtain the documents necessary to clear title and satisfy sellers' obligations under the real estate sale contract
- Prepare a deed and other transaction documents.
- Gather the necessary information in order to provide a detailed report of transaction fees that will be incurred at closing.
- Determine the location and time of the closing. Typically the closing will be held at the title company office nearest to the location of the property, or at some other agreed upon location.

Steps Involved in Selling a Home

Selling your home can be a daunting process, and sellers often feel an emotional attachment to their home, making the process all the more fraught with complexities. A lawyer can help you manage each step of the home sale process so that you can move through the process as easily as possible.

While each home sale is different and progresses on its own timetable, the following is a general step-by-step guide to the process of selling a home.

- First, you will put your home up for sale. Many times, this means entering into a listing agreement with a real estate broker who will handle listing and showing the property to potential buyers. Some sellers choose to sell their home without a real estate broker, which is often referred to as For Sale By Owner, or FSBO.
- After you accept an offer to purchase your home, you will enter into a contract with the buyer for the transaction. If you have retained a real estate broker, he or she will complete the sale contract on your behalf. If you went the FSBO route, your attorney will assist in the contract preparation.
- Next, the transaction will enter the attorney review and inspection phase. During this period, attorneys for the buyer and seller will negotiate non-price terms of the contract and the buyer will have an opportunity to inspect the home for defects.
- Once the attorney review and inspection process is complete, you will wait for the buyer to receive funding for the purchase (i.e., mortgage loan approval).

- Once financing is secured by the buyer, you will need to order the legal documents required for the closing, such as title search, land survey, and mortgage payoff statement.
- Along with your attorney, you will schedule the closing on an agreed upon date.
- You can choose to pre-sign closing documents or sign documents at the closing.
- The proceeds of your home sale will be transferred into your bank account.
- Finally, you will celebrate the successful completion of the sale of your home.