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Nick's Notes

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About Nick

- * Practicing Real Estate Law since 1987
- * Received a B.A. degree in Political Science from NIU in 1984 and J.D. from IIT Chicago/Kent College of Law in 1987
- * Member: Illinois Real Estate Lawyer's Association, Illinois State Bar Association, Northwest Suburban Bar Association, Hellenic Bar Association, and Arlington Heights Chamber of Commerce
- * Speaks fluent Greek and conversational Spanish
- * Ran for Illinois State Representative in 2004
- * Married since 1990 and has two sons (ages 12 and 8)
- * Living in Arlington Heights since 1996
- * Parish Council member at St. Nectarios Greek Orthodox Church in Palatine

Helpful Hints in Securing a Loan

1. Buyers should apply for the loan as soon as possible. They do not have to lock-in immediately.
2. If possible recommend someone that you have worked with in the past and who you believe is very responsive.
3. Make sure there is enough time allotted in the contract for the buyer to secure a mortgage (at least 30 days).
4. Put together a helpful hints list for homebuyers, including practical advice for having the best chance of getting a loan. (e.g., pay bills on time, pay off small debts before applying for the loan, have a some money in reserves, keep credit card debt below half of the limit).

Financing Options

1. Seller Credit-seller gives buyer a credit at the closing, in many cases for non-recurring closing costs. This may help a first time home buyer afford the house.
2. Seller Financing (part or whole) - seller needs to understand his/her rights. If they finance only part of the loan—they will be the second mortgage and the first mortgage will be held by a bank. The seller needs to make sure on a monthly basis that the buyer not only is paying their loan on time, but the bank loan as well. The seller can request payment via a cashier or certified check. The bank must be aware of the 2nd loan.
3. Seller Buy-Down of Interest Rate-seller can reduce payment and lower interest rate for a certain period of time, usually 1 to 2 years. The difference between the actual note rate and the lower rate is paid in cash by the seller at the closing. It is similar to a subsidy.
4. Installment Contract— this is an agreement between the Buyer and the Seller for the purchase of real property which contemplates 2 closings. Possession is given at the 1st closing, but legal title does not change until the 2nd closing. Similar to Lease Option.
5. Lease Option-essentially, rent-to-own. Seller/landlord agrees to credit all or part of rent as a down payment if buyer/tenant makes timely payments and adheres to the lease.