

Home sweet home: Lawyers help residents avoid bad home contracts

When Steven McGarrity thinks back to buying his home, the word that comes to his mind is “overwhelming.”

He and his wife were newlyweds, were moving to Austintown, a city he had never before lived in, and had their first child on the way.

“Don’t get me wrong – it was an exciting time in our lives,” he said. “But it was also really daunting. The amount of paperwork alone was enough to make your head spin.”

Thankfully, McGarrity said, his legal background helped him sort through the pages of complex information and made it possible to feel comfortable with what he and his budding family were getting into.

“But if I wasn’t a lawyer?” he said, laughing, “I just can’t even imagine.”

This scenario, finding a home for your family, sifting through mountains of paperwork, and sitting back while your head spins is something that thousands of people across the state deal with every day. And many of them don’t have McGarrity’s legal background to help.

That’s why Community Legal Aid is launching a new effort to help low-income residents who are trying to buy a home by reviewing their contracts first.

“This is a new model for us,” McGarrity said. “As lawyers, we’re trained to respond to problems when they arise. By reviewing contracts before people sign them, we’re really trying to prevent problems from arising in the first place.”

He compared it to preventative medicine.

“If you take care of yourself and visit the doctor regularly, they can help you stay healthy or catch warning signs early, when you can still do something about it,” he explained. “Working with an attorney before you sign something is the same way.”

Everyone should have an attorney review their home contract before they sign it, explained Christine Legow, managing attorney for Legal Aid’s Neighborhood Law Project.

“Once you sign a contract, it can be very difficult to renegotiate,” Legow said. “By working with an attorney on the front end, buyers can get advice about what’s in their best interest and help in negotiating with the seller to get a better deal.”

Avoiding bad deals

There are multiple types of contracts Legal Aid has seen clients have problems with, including land contracts, rent-to-own contracts, and lease-with-option-to-buy contracts.

“Often, a single landlord or company will own many of these properties and rent them to people by promising the dream of home ownership,” Legow said. “But in reality, the price they sell the home for is much higher than

the home is actually worth, or there are safety or health hazards or unpaid taxes or water bills, that the new residents don't realize they're assuming responsibility for and really can't afford to fix."

When this happens to multiple properties, Legow said, it can end up destroying neighborhoods.

Legal Aid saw 24 cases where clients were in these types of bad home contracts last year alone.

"It's really sad," Legow said. "Here you have these families who just want to build a home and a future for themselves and their kids. And they're really just being taken advantage of."

There are some things, though, that potential homeowners can watch out for, Legow said.

For example, all contracts should include any liens or mortgages on the property.

"You can actually ask the seller to pay for a title search or add the cost of a title search to the contract," Legow said. "This way, you get a full history of the property and better know what you're getting into."

Also, buyers should have the right to pay the mortgage if the seller does not and defaults.

"We've seen homes get foreclosed because the tenant has been paying the landlord, but the landlord hasn't been paying the bank or lender," Legow explained. "Buyers are then shocked and have little legal recourse to save their home."

What buyers can do

For those who are low-income and are considering buying a home from a landlord, Legal Aid is encouraging them to call to have their contract reviewed by an attorney.

"We can take a look and let you know what should and shouldn't be in there," Legow said.

McGarrity added that Legal Aid advocates can help clients negotiate for a better deal.

"If there's something that we think is missing or that shouldn't be in there, you have every right to go back and talk to the seller about that," he said. "No one should feel afraid or unprepared to have those conversations."

For more information or to see if you qualify for Legal Aid's help, call (330) 362-8350.

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