

# Nagle's Law Group Sheds Light on Real Estate Market

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**Phoenix Real Estate Attorney, Robert Nagle, breaks down what needs to be done for the real estate market from a seller and buyer's perspective.**

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Bank of America launched its Mortgage Reduction Effort this month and sent letters to thousands of homeowners in the United States, offering to forgive a portion of the principal balance on their mortgages by an average of \$150,000 each. The reduction for qualifying homeowners could amount to monthly savings of up to 35 percent on mortgage payments. Phoenix Real Estate Attorney, Robert Nagle, says this could be huge for Arizona. Nagle's law firm, Nagle Law Group, helped 300 valley families last year on all contract issues. AZ Foothills spoke with him about his business, the rollercoaster buying market in real estate, and what buyers and sellers need to know that could save them huge earnings and an unnecessary headache.

## **How did you get into the business?**

When my wife and I moved to Arizona in 1993, I started as an associate at O'Connor Cavanagh. I worked my way up to Senior Partner there, and then, in 1998, I felt technology had progressed far enough for me to strike out on my own without the need to also have staff. As a business major in college, I started Nagle Law Group and felt I could apply what I had learned to the structure of a transactional law office. It wasn't until the firm grew to 10 attorneys that I added a secretary, and that decision was driven by the fact an attorney who had been hired couldn't type! The benefit of running a business and being a lawyer has enhanced my ability to assist clients not only with their legal needs, but the application of the legal to business.

## **How has your business changed over the last 5 years?**

The last 5 years have seen major changes in the commercial real estate market and the companies, both real estate and law firms, that work within it. From my point of view, I face two alternatives when a key practice area drops off in the volume of work: I can patiently wait and hope that the drop off is brief, or, I can take advantage of the available time and expand my practice into other areas. That is how the firm first added Estate Planning back in 2001, and how we added Residential Real Estate in January of 2010.

## **What you are hoping to accomplish by helping people with the housing market?**

I am hoping to accomplish two things: first, my objective with underwater homeowners is to provide them with solid, unbiased legal information and also business options on how to deal with the debt they might be facing on their residence. There are competing pressures out there to take certain actions like walk away or no, you can't walk away - you have a moral obligation. And there are also competing sources of information, from other homeowners, to information from realtors. I help individuals and couples slice through all of it, empowering them to make the decision that is right for them, without worry about second guessing that decision.

With respect to homeowners in general, my objective is to make sure that when they sign a purchase agreement, whether as a seller or a buyer, they understand the contract they are signing and the risks they are assuming. Most people accept the realtors explanation that the document is the "form" and cannot be changed. But this couldn't be more untrue. And when you factor in protections built into the contract for the realtor and the title company, all at the expense of both the seller and the buyer, one wonders why people are willing to just sign and have no one watching their backs!

## **Where do you think the future of the real estate market will lead (and where you hope it will lead)?**

Unfortunately, I believe that unless lenders are forced to write down principal balances, we are looking at a very long and arduous road ahead.

Honestly, those individuals who have told the banks, "here, take it" either by letting the home go to foreclosure or short selling will be the individuals who will experience the "recovery" far sooner than those burdened by their debt load. I have asked many, many clients if they would stay in their homes if the lender would write down the mortgage, not to market value, but perhaps 30-40 thousand dollars above that. Almost to a person, the answer is "yes". Why? Well, even though they're still underwater, the homeowners know that within a relatively short period of time they'll again be "above" water. But without any right down, they feel they have no choice but to ask the bank to honor the loan contract and just foreclose.

### **You're best advice to someone looking to sell, purchase or stay in their home?**

My best advice for anyone looking to buy or sell a home is to have an attorney review every document you are asked to sign! But, in addition to that, for people looking to sell who are underwater, my best advice is to stop paying the mortgage. Most homeowners will be able to stay in their homes for at least 6 months before the foreclosure will occur and it can take even longer. So, you can still do a short sale; you just don't need to do it right away. If you're a buyer, my best advice is to find a home inspector that will stand behind the inspection. Many of the contracts I've seen limit the "damages" you can recover from a mistake to the fee paid, which, at the end of the day, is rarely sufficient.

### **Lastly, what are the most frequently asked questions you get as a real estate attorney?**

How much are my fees? Seriously, though, the number one question category is "Can the Bank can come after me? After that, clients are looking to understand the general tax consequences of selling their underwater home. Once a client understands the financial impacts, or lack thereof, they are in a much better position to assess their options and make a decision regarding course of action. [www.naglelawgroup.com](http://www.naglelawgroup.com)