

Retaining Home Documents

Anytime you buy or sell real estate, there will be mountains of paperwork. It can be difficult to know which papers to keep safe.

Keeping the right documents can prevent having to endure legal proceedings should there be an issue with the legal or financial status of your home or mortgage. Quicken Loans recommends keeping all contracts and papers detailing your home purchase and mortgage for the life of the loan.

Online storage is risky for sensitive estate-related documents, which often contain private information, such as addresses and Social Security numbers. Keep your paper documents stored in a fire safe or safe deposit box. When you do decide to toss documents, shred them safely.

Below are some critical documents to keep.

Contracts. You will want to retain contracts you signed with your real estate agent, as well as purchase agreements, whether you're buying or selling. These are legal contracts, and having them on hand will allow you to prove the agreement you signed onto. Also keep seller disclosures, in case an undisclosed problem with



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REAL ESTATE 101

Closing Checklist

The Consumer Financial Protection Bureau offers a checklist of actions to take before, during and after closing. They include knowing what to expect, keeping tabs on the closing costs, what to bring with you to closing, what papers to keep and more. Download the checklist at <https://bit.ly/37Dp6fg>.

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Closing and mortgage documents. At your home closing, you will sign a towering stack of documents. Most of them should be kept for as long as you own the home. These include a closing disclosure, which lays out all the costs of

the mortgage, a closing statement that includes all closing costs, and the mortgage, which shows the full terms of the loan, as well as inspection reports and appraisals. They also include the mortgage. A mortgage is an enormous financial obligation, and it's

critical to have proof of the agreement you signed.

Insurance policies. You never know when you will need to file a claim on a policy, or find out what coverage limits, deductibles, etc. your plan provides. Keep these documents readily accessible.

Remodeling records. When you complete a home remodeling project or addition, it's a good idea to hang onto the records. If you decide to sell in the future, these records will help document the work and establish the value of the improvements. If you are remodeling with the intention of selling, it might be a good idea to take before and after photos.

After a sale. Homelight.com recommends keeping proof of payoff from old mortgages after they are recorded as paid. This could be a "release" or a "certificate of satisfaction" from the lender. This ensures that you have proof in case of a mistake on your credit report.

Tax purposes. While it's unlikely, it's possible that you could end up owing income taxes on the profit you make when selling a house. To help your tax accountant do the proper calculations, Homelight.com recommends hanging onto the closing statement; documents that prove the home was your primary residence, such as utility bills and prior tax returns; the 1099-S form from the IRS, which shows proceeds from the sale; the 1098 form from your lender showing real estate taxes paid; receipts from capital improvements; and receipts for moving expenses, which can reduce your profits for tax purposes.



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HOMEWISSE GLOSSARY

Possession: The buyer occupying the property that is purchased or a tenant occupying the property that is leased. In a real estate sale, possession is rarely granted prior to closing when the seller receives their funds.

SOURCE: MLS.com

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