

Step 2: Assemble Your Property Documentation

When you bought your house, you participated in a closing process where you and the seller signed various papers to take out loans, repay loans, and pay expenses. You should have received copies of at least some of the following items:

- **Settlement statement:** A complete accounting of what you paid for and what the seller paid for. There is a standard form used across the country. See the [Worksheet](#) section for a blank settlement statement.
- **Deed:** A document which states that the seller transferred ownership of the property to you.
- **Covenants, Conditions, and Restrictions:** If you own a condominium, co-op, townhouse or home in a subdivision, you received this document which explains what you can and can't do with your property as a participating member of the community.
- **Title Insurance Policy:** An insurance policy which guarantees your ownership rights and protects you from possible claims on the property. Typically the lender requires that it be named the policy beneficiary in the case of claim. This protects the lender's investment in the property. To protect your equity in the property from claims on title, you may have obtained a separate policy naming you as the beneficiary.
- **Mortgage:** Documented evidence of an agreement between you and the lender stating that an amount of money has been borrowed at a certain interest rate and will be repaid.
- **Promissory Note:** A document which states that you promise to repay the loan to the lender over a period of time.
- **Property Abstract or Title:** A folder or binder containing the written history of the ownership of the property. You may have this in your possession. It is an extremely valuable document because of the historical information it contains and because it is very difficult to re-create if it gets lost. Your lender may have the abstract on file if you don't have it. Find out who has it. Make sure that you know it is someplace safe; you'll need to have it handy when you sell your home.

Gather these documents now; you will use them as you determine the actual cost of your house. If you don't have them handy, find them. It might require a call to the real estate agent or attorney with whom you worked to purchase your house.

Over time you may also receive any of these:

- ***Mortgage statement:*** Document received periodically from your lender listing the payment history on your loan. Typically it lists the amount of interest and principal paid on your loan during the current year as of the time the document was generated.
- ***Mortgage satisfaction:*** If you completely repay your loan, the lender sends you this document stating that the loan has been repaid as of the date of final payment.
- ***Reconveyance Deed:*** If your loan is paid off, you receive official record from your municipality that the debt has been repaid and full title rests with you, the owner of the property.
- ***Property Tax statement:*** A document received from the municipality in which you live constituting a bill for annual local taxes. Property tax is intended to pay for school, road, and sewer maintenance in the area. It might cover other costs as indicated on your tax bill.
- ***Assessment Notice:*** A document received from your municipality which states the taxes due on your property and the method by which the taxes were calculated. It might also state that additional taxes are due for anticipated municipal improvements.



- **Improvement Notice:** A document received from your municipality stating that additional taxes are levied to pay for anticipated municipal improvements in your area.
- **Homeowner's Insurance Policy:** An insurance policy which insures the property in the event of damage or theft. While you can purchase separate policies for fire, theft, and liability, typically these types of coverage are elements of a homeowner's policy. Earthquake and flood insurance might be included, but policies are often purchased separately for these.
- **Private Mortgage Insurance Policy:** A policy which insures that mortgage payments will continue to be made to the lender if the borrower defaults. It is typically required when a homebuyer takes a mortgage whose value is in excess of 80% of the current market value of the property.
- **Receipts for home improvements:** If you replaced any items in your house or had contract work performed, you received receipts for purchases or bills for services rendered. You might also have warranty documentation.
- **Documentation for major improvements:** If you contracted for major improvements requiring a building permit, collect any paperwork including permits, contracts, plans and specifications, and completion notices-the official record that the completed work has been recorded by your city or county recorder's office.

Pull all of the above items together; these also help you determine the actual cost of your home.



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