

10 Things You Need to Buy or Sell a Home

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Paperwork! It's scary, a pain, and a daunting detail to consider if you're buying or selling a home. The following list contains pertinent documents you must have in order to close a transaction. It's only a great start, so rely on a reputable real estate agent, title company or lender to inform you of other docs you may need.

- 1) ID (e.g., driver's license, state-issued ID, passport). Buyers and sellers will need their IDs at the closing table so the title company and lender can determine for sure you are who you say you are.
- 2) Paycheck stubs. Who must produce it? Any buyer financing their purchase with a mortgage. Sellers, usually only in the case of a short sale. Why? Buyers' purchase price ranges are determined, in part, by their income. And short sellers have to prove an economic hardship.
- 3) Two months' bank account statements. Who must produce it? Buyers getting financing; sellers selling short. Why? Buyers' lenders now require proof of regular income and proof that the down payment money is your own. Short sellers? It's all about the hardship.
- 4) Two years' W-2 forms or tax returns. Who must produce it? Mortgage-seeking buyers and short selling sellers. Why? Banks want to see a stable, long-term income. They also limit you to claiming as income the amount on which you pay taxes. And in short sales, again, they want documentation of every single facet of your finances.
- 5) Updated everything. Who must produce it? Buyer/mortgage applicants. Why? Because things change, and because the time period between the first loan application and closing can be many months - even years! - on today's market.
- 6) Quitclaim deed. Who must produce it? Married buyers purchasing homes they plan to own as separate property. Married sellers selling homes that they own separately, or joint owners selling their interests separately.
- 7) Divorce decree. Who must produce it? Buyers and sellers who need to document their solo status or the property-splitting terms of their divorce.
- 8) Gift letter. Who must produce it? Buyers using gift money toward their down payment. Why? The bank wants to be sure the gift came from a relative, and is their own money to give.
- 9) Compliance certificates. Who must produce it? Usually sellers, but sometimes buyers, by contract. Why? Some local governments require various condition requirements be met before the property is transferred.
- 10) Mortgage statement. Who must produce it? Any seller with a mortgage. Why? the escrow holder or title company will need to use it to order payoff demands from any mortgage holder who has to get paid before the property's title can be transferred.