

What Papers Do I Keep and What Do I throw Away?

If you recently purchased your first home, are considering selling your home or are just sorting your files, you need to consider which documents to throw away and which to keep. When looking at the files for your home, here are some handy tips:

LOAN DOCUMENTS, DEEDS and FINAL SETTLEMENT STATEMENTS Always keep any final loan documents, deeds or final settlement statements from the title company. We used such documents dating back decades to reinstate my husband's VA eligibility when we assumed a VA loan several years ago. We recently needed the final closing statement to prove the ownership of our present house to use the lifetime warranty to get parts for our Genie garage door opener that quit after many years.

APPRAISALS and BUILDER'S PLANS Retain any former appraisals or builder's plans because these will verify the correct size of your home. Often the size of the home according to the taxing authorities is not right. When you try to sell your home, and the buyer's appraisal gives a size that is different than the square footage you used to market your home, you might delay your sale and need to adjust your sales price. The floor plan and the actual builder's plan can be used to market your home and are helpful for the new buyer.

HOA DOCUMENTS When you list your home for sale, you will need a copy of the contact information for the HOA and the ability to get the covenants for the subdivision. Your title company will need to know the costs involved in the sale and transfer of your property in an HOA. Access to the HOA rules will be helpful, too. This information might be on a website or in the documentation you received when you purchased your home. The rules may be especially important, for example, if the new buyer wants to store a boat or trailer, park a work truck with signage or build a workshop. Because HOA rules and fees can change, you may want to throw away old information when it is replaced with updated information. The HOA information needs to include how the new owners can enjoy the community amenities and should address such issues as how they receive a community pool key after closing.

UTILITY BILLS Utility bills are very important to new buyers. Century 21 Alliance Properties will ask you for the annual average cost for your gas, electricity and water. I always believe this information should include how many people live in the home. Contact information for the necessary utilities is very helpful.

OTHER SERVICE PROVIDERS Documentation about other service providers could help the new buyers, too. Who provides your cable service and your internet? Do you have a company monitoring your security system? If you are satisfied with these services, please provide the information, and the new buyers can choose these if they wish. I do not recommend



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transferring contracts between sellers and buyers because of my past experience with financial confusion and bad results when a seller tried to transfer her contract. Expired and out of date contracts for these services can be discarded.

RECEIPTS and WARRANTIES Keep a special file with information about all of the small, extra features of your home, such as your smart home system, your water filter, or your recently replaced garbage disposal. If these are new items that might impress a potential buyer, you might want to leave this documentation in a neat file on the counter for the buyers to see when they visit your home and allow them to be part of your marketing. You might even like to make a list of what was recently added to your home. After the sale of your home, you should pass along this file so that the new buyer can have it to buy replacement parts or maintain these items. Keep receipts for repairs on appliances, warranties, and information booklets. The new buyer will be grateful. Don't forget to update this file as the years go by and toss out information about whatever is replaced or discarded.

SELLER'S DISCLOSURE Our standard Seller's Disclosure asks when your roof was last replaced, so when you list your home be sure you can locate receipts for all roof repairs and replacements. Keep warranties and all documentation. The condition of your roof is a major concern when you sell your home. Have a file for your homeowner's insurance handy because you will most likely be calling your insurance agent if a home inspector has serious questions about the condition of your roof.

SWIMMING POOLS Swimming pools deserve their own file which should include receipts such as those for the original installation, repairs, maintenance and chemicals. The new owners might appreciate information about maintaining the pool and where to buy pool chemicals. Maybe you have a pool care company you can recommend. I have had sellers graciously give "pool lessons" to new owners who will be enjoying their first pool.

FLOORING Flooring is not just carpet any more. Again a folder with information about the proper care and replacement of a floor will be very helpful. New buyers appreciate the extra tiles, planks or carpet pieces in case repair is necessary to a small area of the flooring.

FIREPLACES Fireplaces need cleaning and care if they are used for more than just decoration. Keep the manuals and receipts for fireplace maintenance.

FOUNDATION REPAIR Has your home had foundation repairs? Potential buyers will need to know the extent of these repairs, such as whether you dug in French drains. Our best foundation repair companies have a lifetime warranty on their repair work, but you will need to refer to the original repair documentation to make a claim. The repair companies often



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require the new owners to submit an application and pay a transfer fee to get the warranty. The warranty is often for the area where the previous work was done and isn't for the entire house. Also keep all reports from structural engineers where you can easily find them to pass these along to a potential new owner.

WOOD DESTROYING INSECTS The Seller's Disclosure asks about any treatment for damage from wood destroying insects such as termites, carpenter ants or army ants. Be sure to keep any receipts for inspections, treatments or repairs related to these insects. Sellers must disclose damage going back as long as anyone had knowledge of the insects' activity, which means retaining information that was given even by a previous owner. Never throw away termite treatment information on property you currently own!

MINERAL RIGHTS Maybe you live in an area where you own your subsurface rights, in other words, your mineral rights. If you are receiving payments from an oil and gas company, or a request to purchase or lease these mineral rights, you may wish to retain these rights. Have an orderly file with your lease available for reference. If you received requests in the past to purchase or lease your mineral rights, you probably have your mineral rights, but in many of the newer subdivisions, the developers or previous owners have these rights.

BUILDING PERMITS If you do extensive remodeling or repairs, you may need building permits from your city for the work. If you have any questions about what needs a building permit, check with your local city office about the rules and regulations. Professional plumbers and electricians will get the necessary permits for work they do, and you will want to keep any paper work they give to you. Changing a floor plan, removing a load-bearing wall or adding a deck are other modifications that should have permits and an inspections.



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