

Closing Documents

You Should Keep On closing day, expect to sign a lot of documents and walk away with a big stack of papers. Here's a list of the most important documents you should file away for future reference.

- HUD-1 settlement statement.** Itemizes all the costs — commissions, loan fees, points, and hazard insurance — associated with the closing. You'll need it for income tax purposes if you paid points.
- Truth in Lending statement.** Summarizes the terms of your mortgage loan, including the annual percentage rate and rescission period.
- Mortgage and note.** Spell out the legal terms of your mortgage obligation and the agreed-upon repayment terms.
- Deed.** Transfers ownership to you.
- Affidavits.** Binding statements by either party. For example, the sellers will often sign an affidavit stating that they haven't incurred any liens.
- Riders.** Amendments to the sales contract that affect your rights. Example: The sellers won't move out until two weeks after closing but will pay rent to the buyers during that period.
- Insurance policies.** Provide a record and proof of your coverage.

Sources: Credit Union National Association; Mortgage Bankers Association; Home-Buyer's Guide (Real Estate Center at Texas A&M, 2000).

