

SUCCESS IN FSBO

CONTRACT & PAPERWORK PREP



CLEAR PATH CONSULTING

WHAT **PAPERWORK** SETS UP A
SMOOTH, **SUCCESSFUL SALE**

GATHERING THE DOCUMENTS YOU NEED TO SELL

SELLING WITHOUT AN AGENT MEANS YOU CONTROL THE PAPERWORK

When you sell your home FSBO, you take on the role that agents normally handle: organizing the documents that protect you legally, keep the transaction moving, and give buyers confidence in your home.

Most delays, renegotiations, and failed escrows happen because sellers are missing paperwork or don't know what buyers will expect. Preparing these documents before you list removes friction, prevents surprises, and helps your sale run smoothly.

This guide outlines the common documents FSBO sellers typically prepare before and during a home sale. Because every state has different requirements, always follow your local guidelines and work with your escrow/title provider for the official forms used in your transaction.

WHY THIS PAPERWORK MATTERS

Having your paperwork ready early helps you:

- Build buyer confidence
 - Buyers see you as organized, transparent, and serious.
- Avoid last-minute negotiations
 - Missing or incomplete documents can trigger repair requests, price reductions, or delays.
- Reduce legal risk
 - Clear, complete disclosures and documentation protect you from future disputes.
- Speed up the escrow process
 - Title, lenders, inspectors, and appraisers work faster when everything is ready upfront.

HOW TO USE THIS GUIDE

This guide is not legal advice. It simply helps you understand:

1. What documents most FSBO sellers gather
2. Why each document matters
3. When you'll typically use it in the transaction
4. What buyers usually expect to see

Your escrow/title company or attorney will provide the official versions of any forms needed for closing.

CORE DOCUMENTS YOU SHOULD HAVE BEFORE LISTING

1. Property Deed

This is the legal document proving your ownership of the property. You don't give this to the buyer upfront, but you will need it for closing to officially transfer title. It's usually stored with your personal records, your attorney, or the county recorder.

2. Property Survey

A survey outlines:

- Lot lines
- Boundary measurements
- Easements
- Shared access or rights-of-way
- Setbacks and encroachments

While not always required, a dated survey can prevent disputes later if a buyer, lender, or appraiser questions the property lines.

3. Certificate of Occupancy (if applicable)

Some municipalities require a CO to confirm that the home is safe and compliant with building codes. Even if not required in your area, providing one can strengthen buyer confidence by showing the home is legally habitable.

4. Title Report (Preliminary Title Search)

A title report shows:

- Liens
- Judgments
- Unpaid taxes
- Ownership history
- Any clouds on title

Buyers and lenders always rely on this document. If you have title issues, it's better to uncover them early so you can correct them before entering a contract.

5. Seller Disclosures (Pre-Listing Preparation)

Before listing your home, you should complete your core disclosure forms. While specific forms vary by state, the underlying requirement is consistent nationwide:

Disclosure Standard: Sellers are required to disclose any known material defects or conditions that could affect the value or desirability of the property and are not readily observable by a buyer. This applies regardless of whether a buyer specifically asks.

Common Disclosure Areas: These disclosures are typically documented through state-specific forms (such as property condition disclosures), and commonly include:

- Structural issues (foundation, settling, walls)
- Roof condition, age, or known leaks
- Plumbing, electrical, and HVAC systems
- Water damage, mold, or past remediation
- Pest or termite history
- Insurance claims or prior damage
- Environmental hazards (asbestos, radon, etc.)
- Lead-based paint (for homes built before 1978 — federal requirement)
- Natural hazard zones (flood, fire, seismic — depending on state)
- HOA fees, restrictions, or disputes
- Death on property (where required by state law)

Key Principle: You are required to disclose what you know.

Failure to disclose known material issues can result in:

- Legal liability
- Contract cancellation
- Post-sale disputes

6. Loan Documents / Mortgage Payoff Information

If you still owe money on your mortgage, request:

- A loan payoff statement
- Current balance
- Daily interest amount
- Any prepayment penalties

The escrow officer will need this to pay off your loan during closing.

OPTIONAL BUT HIGHLY RECOMMENDED FSBO DOCUMENTS

These aren't required, but they dramatically increase buyer trust and reduce negotiation friction, which is why many FSBO sellers use them.

1. Appraisal Report

If you recently ordered an appraisal, providing it can:

- Justify your asking price
- Strengthen negotiation leverage
- Give buyers confidence in the value

2. Home Inspection Report (Pre-Listing)

While not required, a pre-listing inspection can help you:

- Identify issues before buyers find them
- Decide what to fix
- Avoid repair concessions
- Speed up the escrow process

Many FSBO sellers choose to offer this upfront as a transparency benefit.

3. Repair & Upgrade Documentation

Keep receipts, warranties, and contractor invoices for:

- Roofing
- Plumbing or electrical work
- HVAC replacements
- Foundation repairs
- Major remodels

Buyers love documentation. It shows the home has been maintained and reduces suspicion.

4. Property Tax Records

Your most recent tax bill will be used to:

- Verify annual taxes
- Calculate prorated taxes at closing
- Confirm no outstanding payments

DOCUMENTS REQUIRED DURING THE CLOSING PROCESS

Once you accept an offer, the transaction enters escrow. This is where most of the legal, financial, and contractual paperwork happens. Your escrow/title provider or attorney will sometimes supply the official forms, but don't rely on them. This guide simply helps you understand what each document is and why it matters. These are the documents most sellers encounter during the closing process.

1. Purchase & Sale Agreement (The Contract)

This is the binding agreement between you and the buyer. It outlines:

- Purchase price
- Contingencies
- Deadlines
- Earnest money terms
- Included/excluded items
- Closing date
- Repair agreements
- Responsibility for fees
- Additional terms negotiated between parties

This is the foundation of the entire transaction. Everything that happens in escrow follows the contract.

Clear Path Consulting does not draft, supply, or review contracts. Your contract will typically come from:

- The buyer's agent
- A state-approved attorney
- Your title/escrow provider

2. Earnest Money Deposit Receipt

Once the buyer delivers their earnest money to escrow, you'll receive confirmation that the deposit has been received. This document shows:

- Amount deposited
- Date received
- Where the funds are held
- Whether they are refundable or non-refundable under the contract terms

It verifies the buyer has financial commitment to the purchase.

3. Escrow Instructions

Escrow instructions outline the step-by-step responsibilities for all parties: you, the buyer, the title company, and any lenders. These typically include:

- How funds will be handled
- What documents must be signed
- When each item is due
- Conditions for releasing earnest money
- Closing requirements

This ensures the closing process follows exactly what was agreed upon in the contract.

4. HOA Documents (If Applicable)

If your property is in an HOA, buyers must receive:

- CC&Rs (Covenants, Conditions & Restrictions)
- HOA rules & regulations
- Budget & reserve study
- Meeting minutes
- Transfer fees or move-in fees
- Required disclosures (varies by state)

Buyers must review these to understand monthly costs, restrictions, and the financial health of the association.

5. Contingency Removal Forms

Contingencies protect the buyer and allow them to cancel the contract under certain conditions. Common contingencies include:

- Home inspection
- Appraisal
- Loan approval
- Sale of buyer's current home

When each contingency is satisfied, the buyer signs a form to remove it. The deal becomes more secure as contingencies are removed. Once all are removed, the buyer is typically "locked in" to close.

6. Seller Disclosures (During Escrow)

Even if disclosures are completed before listing, they are not a one-time step. Once a property is under contract, disclosures must be:

- Delivered to the buyer
- Signed and acknowledged
- Updated if new information becomes available

Ongoing Disclosure Obligation: Your obligation to disclose continues through closing.

You must update disclosures if:

- New defects are discovered
- Inspection findings reveal new information
- Damage occurs before closing
- Repairs are completed during escrow

Key Principle: Disclosures are ongoing.

All information provided must remain:

- Accurate
- Complete
- Up to date

Important Note: Disclosure requirements and forms vary by state. Sellers should verify all required forms, timelines, and legal obligations for their specific location.

7. Settlement Statement (Closing Disclosure / ALTA Statement)

This is the final financial document summarizing every cost in the transaction. You'll receive this shortly before closing. It shows:

- Purchase price
- Loan payoff amounts
- Prorated taxes
- Title & escrow fees
- Recording fees
- Seller credits (if any)
- Buyer credits (if any)
- Final net proceeds to you

This is the document that determines how much money you receive at closing.

8. Affidavit of Title (or Seller's Affidavit)

A standard closing document where you confirm that:

- You are the lawful owner
- No one else has claims to the property
- There are no undisclosed liens
- You are not in bankruptcy

It protects the buyer and title company from unknown issues.

9. Bill of Sale (For Personal Items)

If you are including any items in the sale such as:

- Appliances
- Window coverings
- Furniture
- Equipment

The Bill of Sale formally transfers ownership of those items.

10. IRS Form 1099-S

This form reports the sale of your home to the IRS. Most sellers qualify for the capital gains exclusion, but if you don't, this form becomes part of your tax filing.

11. Keys / Remotes Transfer Acknowledgment (Simple but Useful)

This can be as simple as a one-page acknowledgment listing:

- House keys
- Garage remotes
- Mailbox keys
- Gate fobs
- Smart lock codes

It creates a smooth handoff and avoids disputes.

DISCLOSURE: ALL INFORMATION IN THIS GUIDE IS FOR GENERAL EDUCATIONAL PURPOSES ONLY AND MAY NOT REFLECT THE SPECIFIC LAWS, DOCUMENTS, REQUIREMENTS, OR PROCEDURES IN YOUR STATE, COUNTY, MUNICIPALITY, HOA, OR INDIVIDUAL TRANSACTION. REAL ESTATE RULES VARY WIDELY ACROSS JURISDICTIONS AND CHANGE OVER TIME. CLEAR PATH CONSULTING IS NOT A REAL ESTATE BROKERAGE, LAW FIRM, OR TAX ADVISOR, AND DOES NOT DRAFT, REVIEW, OR PROVIDE CONTRACTS, LEGAL DOCUMENTS, OR PROFESSIONAL ADVICE. IT IS YOUR RESPONSIBILITY TO VERIFY ALL REQUIREMENTS, FORMS, FEES, TIMELINES, AND PROCEDURES WITH YOUR LOCAL ESCROW/TITLE COMPANY, ATTORNEY, OR APPROPRIATE LICENSED PROFESSIONAL BEFORE RELYING ON OR ACTING ON ANY INFORMATION CONTAINED IN THIS GUIDE. CLEAR PATH CONSULTING ASSUMES NO LIABILITY FOR ANY ACTIONS YOU TAKE, DECISIONS YOU MAKE, OR OUTCOMES RESULTING FROM THE USE OF THIS MATERIAL.



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