

Purchase-year tax folder: what to keep from closing

Use this list for the first return after you buy a home. Tick each line when the paper is in the folder, and keep the last group until after you sell.

Client or engagement

From the closing table

- ☐ Final closing disclosure, signed at settlement
The final version from the title or escrow company, not the loan estimate
- ☐ Purchase contract with all addenda
Shows the price and who pays which costs or back taxes
- ☐ Proof of the funds you brought to closing
Wire confirmation or bank statement for earnest money and down payment
- ☐ Promissory note or loan summary
Loan amount and date, to test the \$750,000 debt limit
- ☐ Seller credits and seller-paid points
Seller column of the closing disclosure; they lower your basis

From the lender after year end

- ☐ Form 1098 from the first servicer
Box 1 interest, box 6 points on the purchase; arrives in January
- ☐ Form 1098 from any servicer the loan moved to
One form per servicer for its part of the year
- ☐ December mortgage statement
Year-to-date interest and escrow, a backup for the 1098
- ☐ Escrow account annual statement
Property tax and insurance the lender paid for you
- ☐ Mortgage insurance premiums paid in the year
Form 1098 box 5; nothing for a 2025 return, treated as interest from 2026 with an AGI phase-out

Property tax and local programs

- ☐ Property tax bill and proof of payment
The first bill after closing, paid by you or through escrow
- ☐ Homestead exemption application, if your state has one
Copy of the filed application and the county's answer
- ☐ Mortgage Credit Certificate from the housing agency
Only if issued before purchase; needed for Form 8396 every year

Down payment sources

- ☐ Form 1099-R for an IRA withdrawal used to buy
Check the box 7 code; up to \$10,000 can avoid the extra tax
- ☐ 401(k) loan agreement, if the plan lent you the money
Loan date, amount and repayment schedule from the plan
- ☐ Gift letter from a relative who gave money
Name, amount and date; the giver may need to file a gift tax return
- ☐ Last year's return, for the itemize or standard choice
Shows the deductions you took before you owned a home

Keep until after you sell

- ☐ Closing costs added to basis
Title insurance, recording fees, survey, transfer tax, legal fees
- ☐ Invoices for improvements after you move in
With the date each job was finished; they raise your basis
- ☐ Energy upgrade invoices, 2025 work only
Heat pump, windows or solar finished by December 31, 2025, for Form 5695
- ☐ Closing papers and Form 1099-S from a home you sold this year
Only if you sold a previous home in the same year