



# BUYING A HOME IN NEVADA



First American Title™



# TABLE OF CONTENTS

QUICK REFERENCE PAGE	4
FAST FACTS FOR BUYERS	5
BENEFITS OF USING A PROFESSIONAL REALTOR®	6
THE BENEFITS OF BUYING	7
SELECTING A HOME	8
OBTAINING A NEW LOAN / WHAT YOU MAY NEED FOR THE LOAN APPLICATION	10
TYPES OF LOANS	11
WHO PAYS CLOSING COSTS?	12
UNDERSTANDING TITLE INSURANCE	13
EXPLANATION OF TITLE COMMITMENT	14
COMPARE OUR EAGLE POLICY	15
WAYS TO TAKE TITLE IN NEVADA	16
THE ESCROW PROCESS	17
LIFE OF AN ESCROW	18
CLOSING YOUR ESCROW / AFTER THE CLOSING	19
ADDITIONAL TITLE THREATS	20
PLANNING YOUR MOVE	21
TERMS YOU SHOULD KNOW	22

# QUICK REFERENCE

YOUR ESCROW NUMBER \_\_\_\_\_

YOUR NEW ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

REALTOR®	Name _____	Phone (____) _____
	Assistant _____	Cell (____) _____
	Company _____	Email _____
	Address _____	Fax (____) _____
	City/State/Zip _____	

ESCROW	Escrow Officer _____	Email _____
	Escrow Assistant _____	Email _____
	Address _____	Phone (____) _____
	City/State/Zip _____	Fax (____) _____

		STOP DATE	START DATE
INSURANCE	Agent _____ Policy # _____ Phone (____) _____ New Agent _____ Policy # _____ Phone (____) _____	_ / _ / _	_ / _ / _
GAS	<b>Southwest Gas</b> 877.860.6020 • <b>Southwest Gas - Gardnerville:</b> 775.882.2126 • <b>Bi-State Propane</b> 775.782.2371 <b>NV Energy</b> 775.834.4444 • <b>Southwest Gas - Elko:</b> 800.832.2555 New gas company _____	_ / _ / _	_ / _ / _
CABLE	<b>Cox</b> 702.383.4000 • <b>Charter Communications</b> 888.438.2427 • <b>Direct TV</b> 888.795.9489 <b>Dish Network</b> 888.647.3790 • <b>Baja Broadband.Elko</b> 775.738.2662 New cable company _____	_ / _ / _	_ / _ / _
ELECTRIC	<b>NV Energy:</b> Northern NV 775.834.4444 Southern NV 702.402.5555 Elko 775.738.3188 <b>Boulder City</b> 702.293.9244 • <b>Valley Electric (Pahrump)</b> 775.382.1214 New electric company _____	_ / _ / _	_ / _ / _
COMMUNICATIONS	<b>Century Link</b> 702.244.7400 • <b>AT&amp;T</b> 888.288.2020 • <b>SBC</b> 775.333.4811 • <b>Frontier Elko</b> 800.921.8101 Long distance carrier, if different _____ New phone company _____ Your new phone (____) _____ New fax (____) _____ Cell phone _____ Internet service _____	_ / _ / _	_ / _ / _
WATER/SEWER/GARBAGE	<b>Las Vegas Valley Water District</b> 702.870.4194 • <b>Gardnerville Town Water</b> 775.782.2339 <b>North Las Vegas</b> 702.633.1484 • <b>Douglas Disposal</b> 775.782.5713 <b>Boulder City</b> 702.293.9244 • <b>Henderson</b> 702.267.5900 <b>Elko Water and Sewer</b> 775.777.7135 • <b>Spring Creek Association</b> 775.753.6295 <b>Truckee Meadows Water Authority</b> 775.834.8080 <b>Incline Village General Improvement District</b> 775.832.1203 New water company _____	_ / _ / _	_ / _ / _
OTHER	<b>Newspapers:</b> Las Vegas Review Journal 702.383.0211 • Reno Gazette-Journal 775.788.6200 Other _____ Magazines _____ Pest control _____ Lawn service _____ Post Office _____	_ / _ / _	_ / _ / _





# FAST FACTS FOR BUYERS

## REALTOR®

A REALTOR® is a licensed real estate agent and a member of the National Association of REALTORS®, a real estate trade association.

REALTORS® also belong to their state and local Boards of REALTORS®. They have a wealth of resources at their disposal, including the Multiple Listing Service and continuing education. All association members agree to abide by a 17-article Code of Ethics and strive for the height of professionalism.

## REAL ESTATE AGENT.

A real estate agent is licensed by the state to represent parties in the transfer of property. Every REALTOR® is a real estate agent, but not every real estate agent is a professional REALTOR.®

## LISTING AGENT

A listing agent forms a legal relationship with the homeowner to sell the property, and places the property in the Multiple Listing Service.

## BUYER'S AGENT

A buyer's agent or buyer broker is an agent hired by the buyer. Generally, the buyer broker is paid from the commission fee agreed to by the Seller.

## MULTIPLE LISTING SERVICE (MLS)

The MLS is a database of properties listed for sale by REALTORS® who are members of the local Board of REALTORS.® Information on an MLS property is available to thousands of REALTORS.®

## COMMITMENT IS A TWO-WAY STREET

Your REALTOR® will make a commitment to spend valuable hours finding the right home for you: researching listings, previewing properties, visiting homes with you, and negotiating your contract. Honor that commitment by staying with the REALTOR® you've selected until you purchase your home.

Be sure your REALTOR® accompanies you on your first visit to all new homes and open houses, too.

# THE ADVANTAGES

of working with only one REALTOR® include:

- The REALTOR® becomes familiar with your family's needs.
- You develop better rapport and communication when working towards your goal with only one REALTOR®.
- The REALTOR® is more committed to you because you return that commitment.
- You avoid any uncomfortable situation arising from agent conflict.

## EXCERPT FROM PREAMBLE TO THE REALTOR'S® CODE OF ETHICS:

The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal. In the interpretation of this obligation, REALTORS® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule: "Whatsoever ye would that others should do to you, do ye even so to them."



## BENEFITS OF USING A PROFESSIONAL REALTOR®

Congratulations on your decision to buy a home! It's a challenging project, and there are many ways a professional can help. Here are some of the many ways you may benefit from working with a REALTOR®:

### IT WON'T COST YOU A PENNY!

The REALTOR® who helps you buy a home is traditionally paid by the Seller.

### MANY MORE HOME CHOICES.

Your REALTOR® has thousands of homes to choose from through the Multiple Listing Service (MLS), so you're more likely to find the home that's just right for you and find it quicker. In fact, a majority of the homes for sale are listed by REALTORS® and aren't available to you unless you are working with a REALTOR.®

### A NUMBER OF TRANSACTIONS "FALL OUT."

Unfortunately, it's true. Some transactions fall apart before closing. An experienced REALTOR® may be able to resolve problems and see your transaction through to a successful closing.

### KNOWLEDGE OF NEW HOME SUBDIVISIONS.

New home subdivisions will welcome you and your REALTOR.® If you're interested in buying a new home, take your agent with you on your first visit to each subdivision. Your professional REALTOR® is an important source of information who can supply background on the builder, nearby subdivisions, and the local community.

### IT'S A MAJOR INVESTMENT.

You use a professional for your legal, financial and health needs. Why gamble on what may be your biggest investment without a professional at your side?

### HELP WITH FSBO'S.

If you consider a "For Sale By Owner," take your REALTOR® along to help negotiate the contract.

### LESS LIABILITY.

You may have more protection from legal and financial liability, especially as real estate transactions become more complicated.

### THE PAPERWORK.

Your experienced REALTOR® will negotiate and prepare the purchase contract for you and assist you throughout the escrow process.

# BENEFITS OF BUYING

The rent you pay could build equity in your own real estate.



Not sure if you should buy a home? The rent you pay could build equity in your own real estate. Do you realize how much you pay in rent over a period of years? The chart below gives you a total picture of what is happening to your money. The rent you pay adds up to a sizable sum.

RENT	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
\$1,000	\$60,000	\$120,000	\$180,000	\$240,000	\$300,000	\$360,000
\$1,200	\$72,000	\$144,000	\$216,000	\$288,000	\$360,000	\$432,000
\$1,400	\$84,000	\$168,000	\$252,000	\$336,000	\$420,000	\$504,000
\$1,600	\$96,000	\$192,000	\$288,000	\$384,000	\$480,000	\$576,000
\$1,800	\$108,000	\$216,000	\$324,000	\$432,000	\$540,000	\$648,000
\$2,000	\$120,000	\$240,000	\$360,000	\$480,000	\$600,000	\$720,000
\$2,200	\$132,000	\$264,000	\$396,000	\$528,000	\$660,000	\$792,000
\$2,400	\$144,000	\$288,000	\$432,000	\$576,000	\$720,000	\$864,000
\$2,600	\$156,000	\$312,000	\$468,000	\$624,000	\$780,000	\$936,000
\$2,800	\$168,000	\$336,000	\$504,000	\$672,000	\$840,000	\$1,008,000
\$3,000	\$180,000	\$360,000	\$540,000	\$720,000	\$900,000	\$1,080,000

## RENT

- No interest payment deductions
- Rental amount may increase at any time
- Landlord approval needed for any changes
- No capitalization; your money disappears forever
- Rental is temporary and is often subject to 30 day's notice

## BUY

- Deductions for your mortgage interest paid
- Mortgage payments could be fixed
- Decorate and make changes without prior approval
- The value of your property may increase in time
- Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord

# SELECTING A HOME

The following home comparison chart is designed to help you remember the homes you visit and what you liked best and least about each one. Rate features or make notes that will help you determine what pleased or displeased you.

Remembering each home would appear easy, but it can quickly become confusing. Which home was near the school? Which one had the great pool? Did it have a family room? And how many bathrooms? In the "What's Memorable" category, note something you think is unusual and memorable about each home, such as a stained glass window, fruit trees, a child's playhouse. This will make it easier for you to recall the property later and refer to a specific address. And, last but not least, maybe the most important question, does this house feel like home? Good luck with your search, and enjoy your house hunting adventure!

	HOME 1	HOME 2	HOME 3
Address/ Location			
Asking Price			
No. Beds/Baths	/	/	/
Square Footage			
First Impression			
Neighborhood			
School District			
Living Room			
Study/Office			
Kitchen			
Family Room			
Baths			
Master Bedroom			
Master Bath			
Bedrooms			
Patio			
Pool			
Landscaping			
Garage or Carport			
What's Memorable			





	HOME 4	HOME 5	HOME 6
Address/ Location			
Asking Price			
No. Beds/Baths	/	/	/
Square Footage			
First Impression			
Neighborhood			
School District			
Living Room			
Study/Office			
Kitchen			
Family Room			
Baths			
Master Bedroom			
Master Bath			
Bedrooms			
Patio			
Pool			
Landscaping			
Garage or Carport			
What's Memorable			



## What You May Need For The Loan Application

# OBTAINING A NEW LOAN

## WHEN AND WHERE TO APPLY FOR A LOAN?

There are many sources for home loans including banks, credit unions, mortgage companies, and mortgage brokers. Your REALTOR® may give you several names of lenders who have proven reliable in their previous transactions. Apply for your loan as soon as possible. In fact, it's probably a good idea to know what you can afford before you begin looking for your new home. It can give you more bargaining power when negotiating with a Seller, especially in today's market.

## YOUR LENDER WILL MAIL OUT VERIFICATION REQUESTS

and order an appraisal on the property you are buying. If your lender asks for additional items, please comply promptly with those requests to avoid delaying loan approval.

## WHAT IS HAZARD (OR FIRE) INSURANCE?

Hazard insurance covers the dwelling itself and is required by the lender to protect their "risk" in your home. Your lender will explain the necessary hazard insurance coverage to you. If you are buying a condominium, a master policy already exists which includes your unit—but it does not cover your personal belongings.

## CONTACT YOUR INSURANCE AGENT EARLY IN THE PROCESS.

This coverage must be provided before the closing paperwork is prepared. Hazard insurance is one of the items frequently postponed until the last minute, and this can result in delaying the closing for a day or more. Order your insurance as soon as your loan is approved; then furnish your escrow officer and lender with the agent's name and phone number.

When you talk with your insurance agent, be sure to ask about additional coverage in a homeowner's policy to insure your personal belongings and to protect against liability for such events as injuries to visitors.

## WHAT HAPPENS BEFORE CLOSING?

Once the lender and escrow officer have received all invoices and preliminary paperwork, the Closing Disclosure (CD) is prepared. The CD will be delivered to you no later than 3 business days\* prior to loan consummation (signing), per federal regulations. The CD is intended to disclose costs associated with your loan. In addition to the CD, your escrow officer will prepare an estimated settlement statement. This statement indicates what funds go where, and at this time your escrow officer can tell you how much money you need to bring to the closing appointment. Be aware that this amount may be higher or lower than previously estimated due to changes in such items as prepaid interest, prorated fees, courier fees, and impound accounts.

Be prepared to provide some or all of these items to your loan officer.

- › Addresses of residences for last two years
- › Social Security Number or taxpayer I.D. number
- › Driver's license or other valid I.D.
- › Names and addresses of employers for last two years
- › Two recent pay stubs showing year-to-date earnings
- › Federal tax returns for last two years
- › W-2s for last two years
- › Last two months statements for all checking and savings accounts
- › Loans: names, addresses, account numbers, and payment amounts on all loans
- › Real estate loans: names, addresses, account numbers, and payment amounts on all loans for other real estate you own
- › Credit cards: names, addresses, account numbers, and payment amounts on all credit cards
- › Addresses and values of other real estate owned
- › Value of personal property. Your best estimate of the value of all your personal property (autos, boats, furniture, jewelry, television, stereo, computer, other electronics, etc.)
- › For a VA loan, Certificate of Eligibility or DD214s
- › Divorce decree if applicable
- › Funds to pay upfront for the credit report

\*For purposes of the Closing Disclosure "business day" is defined as every day except Sundays and Federal legal holidays.

# TYPES OF LOANS

**ADJUSTABLE RATE LOAN.** Adjustable or variable rate refers to the fluctuating interest rate you'll pay over the life of the loan. The rate is adjusted periodically to coincide with changes in the index on which the rate is based. The minimum and maximum amounts of adjustment, as well as the frequency of adjustment are specified in the loan terms. An adjustable rate mortgage may allow you to qualify for a higher loan amount but maximums, caps and time frames should be considered before deciding on this type of loan.

**ASSUMABLE LOAN.** A true assumable loan is rare today! This loan used to enable a buyer to pay the seller for the equity in the home and take over the payments without meeting any requirements. Assumables these days generally require standard income, credit and funds verification by the lender before the loan can be transferred to the buyer.

**COMMUNITY HOMEBUYER'S PROGRAM.** This program is designed to assist first-time buyers by offering a fixed rate and a low downpayment, such as 3 to 5% down. The program doesn't require cash reserves, and qualifying ratios are more lenient; however, the buyer's income must fall within a certain range and a training course may be necessary if required by the program. Ask your Loan Officer if this program is available in your community and whether or not you might qualify.

**CONVENTIONAL LOAN.** This simply describes a loan that is not obtained under any government-insured program, secured by investors. It could be a fixed rate or adjustable.

**FHA LOAN.** This program is beneficial for buyers who don't have large downpayments. The loan is insured by the Federal Housing Administration under Housing and Urban Development (HUD) and offers easier qualifying with less cash needed upfront but the condition of the property is strictly regulated. The Seller will pay a portion of the closing costs that would typically be paid by the buyer in a conventional loan program.

**FIXED RATE LOAN.** This loan has one interest rate that is constant throughout the loan.

**VA LOAN.** People who have served in the U.S. armed forces can apply for a VA loan which covers up to 100% of the purchase price and requires little or no downpayment.



## The Loan Process - What to Avoid

**Do not change jobs.** A job change may result in your loan being denied, particularly if you are taking a lower paying position or moving into a different field. Don't think you're safe because you've received approval earlier in the process, as the lender typically calls your employer to re-verify your employment just prior to funding the loan.

**Don't pay off existing accounts unless the lender requests it.** If your loan officer advises you to pay off certain bills in order to qualify for the loan, follow that advice. Otherwise, leave your accounts as they are until your escrow closes.

**Avoid switching banks or moving your money to another Institution.** After the lender has verified your funds at one or more institutions, the money should remain there until needed for the purchase.

**Don't make any large purchases.** A major purchase that requires a withdrawal from your verified funds or increases your debt can result in your not qualifying for the loan. A lender may check your credit or re-verify funds at the last minute, so avoid purchases that could impact your loan approval.

# CLOSING COSTS: WHO PAYS WHAT

THIS CHART INDICATES WHO CUSTOMARILY PAYS WHAT COSTS

	CASH	FHA	VA	CONV
1. Downpayment	BUYER	BUYER	BUYER	BUYER
2. Termite (Wood Infestation) Inspection <i>(negotiable except on VA)</i>			SELLER	
3. Property Inspection <i>(if requested by Buyer)</i>	BUYER	BUYER	BUYER	BUYER
4. Property Repairs, if any <i>(negotiable)</i>	SELLER	SELLER	SELLER	SELLER
5. New Loan Origination Fee <i>(negotiable)</i>		BUYER	BUYER	BUYER
6. Discount Points <i>(negotiable)</i>		BUYER	SELLER	BUYER
7. Document Preparation Fee <i>(Charge Seller on FHA/VA)</i>		SELLER	SELLER	BUYER
8. Credit Report		BUYER	BUYER	BUYER
9. Appraisal or Extension Fee <i>(negotiable)</i>		BUYER	BUYER	BUYER
10. Interest Proration on Seller's Existing Loan				
11. Existing Loan Payoff	SELLER	SELLER	SELLER	SELLER
12. Existing Loan Payoff Demand	SELLER	SELLER	SELLER	SELLER
13. Loan Prepayment Penalty <i>(if any)</i>	SELLER	SELLER	SELLER	SELLER
14. Next Month's PITI Payment		BUYER	BUYER	BUYER
15. Prepaid Interest <i>(approx. 30 days)</i>		BUYER	BUYER	BUYER
16. Mortgage Transfer Fee				
17. Reserve Account Balance <i>(Credit Seller / Charge Buyer)</i>		PRORATE	PRORATE	PRORATE
18. FHA MIP, VA Funding Fee, PMI Premium		BUYER	BUYER	BUYER
19. Assessments payoff or proration <i>(sewer, paving, etc.)</i>	SELLER			
20. Taxes	PRORATE	PRORATE	PRORATE	PRORATE
21. Tax Impounds		BUYER	BUYER	BUYER
22. Tax Service Contract		SELLER	SELLER	BUYER
23. Fire/Hazard Insurance	BUYER	BUYER	BUYER	BUYER
24. Flood Insurance		BUYER	BUYER	BUYER
25. Homeowners Association (HOA) Transfer Fee	SPLIT	SPLIT	SELLER	SPLIT
26. HOA/Disclosure Fee	SELLER	SELLER	SELLER	SELLER
27. Current HOA Payment	PRORATE	PRORATE	PRORATE	PRORATE
28. Next Month's HOA Payment	BUYER	BUYER	BUYER	BUYER
29. Home Warranty Premium <i>(negotiable)</i>				
30. REALTORS® Commissions	SELLER	SELLER	SELLER	SELLER
31. Homeowners Title Policy	SELLER	SELLER	SELLER	SELLER
32. Lenders Title Policy and Endorsements		BUYER	BUYER	BUYER
33. Account Servicing Set-up Fee <i>(negotiable)</i>				
34. Escrow Fee <i>(NOTE: Charge Seller on VA Loan)</i>	SPLIT	SPLIT	SELLER	SPLIT
35. Recording Fees <i>(Flat Rate)</i>	SPLIT	SPLIT	SPLIT	SPLIT
36. Reconveyance/Satisfaction Fee	SELLER	SELLER	SELLER	SELLER
37. Courier/Express Mail Fees	SPLIT	SPLIT	SPLIT	SPLIT
38. Wire Fees	SPLIT	SPLIT	SELLER	SPLIT
39. Email Loan Documents		BUYER	SELLER	BUYER

Note: Prorated items will appear on Settlement Statement as charges for one and credits for the other.





# UNDERSTANDING TITLE INSURANCE

## WHAT IS TITLE INSURANCE?

Prior to the development of the title industry in the late 1800's, a homebuyer received a grantor's warranty, attorney's title opinion, or abstractor's certificate as assurance of home ownership. The Buyer relied on the financial integrity of the grantor, attorney, or abstractor for protection. Today, title insurance companies are regulated by state statute. They are required to post financial guarantees to ensure that any claims will be paid in a timely fashion. They also must maintain their own "title plants" which house duplicates of recorded deeds, mortgages, plats, and other pertinent county property records.

## WHY IS TITLE INSURANCE NEEDED?

Title insurance assures the new Buyers that they are acquiring marketable title from the Seller. It is designed to eliminate risk or loss caused by defects in title from the past. Title insurance protects the interest of the mortgage lender as well as the equity of the Buyer for as long as they or their heirs have any interest in the property.

## WHEN IS THE PREMIUM DUE?

It is a one-time premium which is paid at the close of escrow. The policy has a perpetual term and provides coverage for as long as you are in a position to suffer a loss.

## DO ALL TITLE COMPANIES OFFER THE SAME PROTECTION?

Any standard American Land Title Association (ALTA) policy covers the same basic items. However, First American Title's EAGLE Policy (our ALTA Homeowner's Policy of Title Insurance) combines the easy-to-understand Plain Language Policy with additional coverages, including coverage for events happening after the policy date.\* Some examples:

- › Post-policy Encroachment. The owner has been in his home for several years when a neighbor builds a patio cover on the property. We'll provide legal defense.\*
- › Post-policy Forgery. Someone forges the homeowners name on a mortgage. We'll provide legal defense.\*
- › Building Permit Violation. A room added prior to the closing date did not receive a city permit, and the new homeowner is being forced to remove the structure. We'll pay for the removal, per policy limits.\*
- › Automatic Inflation Coverage of 150%, a 10% increase in the policy amount for each of the first five years.

\* Deductibles, maximums, and conditions may apply.

# WHAT HAPPENS NEXT?

## IDENTITY STATEMENT.

You will be asked to fill out an Identity Statement that enables our title department to distinguish you from others with identical names during our search of County records. It also provides basic information that will be useful for your escrow officer.

## RESPONSE TO SELLER'S NOTICES.

If directed by the contract, you will receive the following items which require a response from you. Your REALTOR® can help you with your responses.

- a. Seller's Property Disclosure Statement listing any existing problems known to the Seller.
- b. Information pertaining to the Home Owners Association (HOA) or Planned Unit Development (PUD), such as Covenants, Conditions and Restrictions (CC&Rs), if applicable.
- c. Flood Hazard Disclosure if the property is in a flood area.
- d. Independent inspections, such as termite and septic, and any repairs as required.

## TITLE COMMITMENT.

You will receive a copy of the title commitment when we complete the title search. See across for an explanation of the title package you will receive from First American Title. If you have questions about the title commitment, contact your REALTOR® or your escrow officer.

## CONSIDER THIS.

One escrow transaction could involve over twenty individuals including REALTORS®, Buyers, Sellers, attorneys, escrow officer, escrow technician, title officer, loan officer, loan processor, loan underwriter, home inspector, termite inspector, insurance agent, home warranty representative, contractor, roofer, plumber, pool service, and so on. In addition, one transaction may depend upon the successful close of another sale.

When you consider the number of people involved, you can imagine the opportunities for delays and mishaps. So, much like an airline pilot can't prevent turbulence during a flight, your experienced REALTOR® and escrow team can't prevent unforeseen problems from arising. However, they can help smooth out the bumps and, whenever possible, get you safely through to a successful closing.



# EXPLANATION OF TITLE COMMITMENT

This explanation may help you understand the contents of the Title Commitment you receive from First American Title.

## SCHEDULE A

This is the information submitted to our title department by the escrow officer. It contains the basic information given to us by the Buyer or REALTOR®, such as the legal description of the property, sale price, loan amount, lender, name and marital status of Buyer and Seller.

## SCHEDULE B

The Schedule B "exceptions" are items which are tied to the subject property. These include Covenants, Conditions and Restrictions (CC&Rs), easements, homeowners association by-laws, leases and other items which will remain of record and transfer with the property. They are referred to as "exceptions" because the Buyer will receive a clear title "except" the Buyer's rights will be subject to conditions in the CC&Rs, recorded easements, etc. The Buyer is asked to sign a receipt for the Schedule B documents which states the Buyer has read and accepts the contents.

## REQUIREMENTS

These are items that First American Title needs to delete and/or record in order to provide a clear title to the property. Items that need to be addressed include:

- › Current property-tax status,
- › Any assessments that are owed such as those for a homeowners association,
- › Any encumbrances (or liens) on the property.

Sometimes items show up against a property because another person has a name similar to an involved party. This is one reason we ask for an Identify Statement, to determine if items are inaccurate and can be deleted.

## NOTE

This is merely information given to us by the County Recorder's office that specifies the proper size, margins and print type to be used on documents to be recorded.

If you have any questions, please do not hesitate to call your escrow officer for information and help.

# COMPARE FIRST AMERICAN TITLE'S EAGLE POLICY® FOR OWNERS

EAGLE

ALTA  
Standard

PROTECTION FROM:		EAGLE	ALTA Standard
1	Someone else owns an interest in your title	P	P
2	A document is not properly signed	P	P
3	Forgery, fraud, duress in the chain of title	P	P
4	Defective recording of any document	P	P
5	There are restrictive covenants	P	P
6	There is a lien on your title because there is:		
	a) a deed of trust	P	P
	b) a judgement, tax, or special assessment	P	P
	c) a charge by a homeowner's association	P	P
7	Title is unmarketable	P	P
8	Mechanics lien	P	
9	Forced removal of a structure because it:		
	a) extends on another property and/or easement	P	
	b) violates a restriction in Schedule B	P	
	c) violates an existing zoning law*	P	
10	Cannot use the land for a Single-Family Residence because the use violates a restriction in Schedule B or a zoning ordinance	P	
11	Unrecorded lien by a homeowners association	P	
12	Unrecorded easements	P	
13	Building permit violations*	P	
14	Restrictive covenant violations	P	
15	Post-policy forgery	P	
16	Post-policy encroachment	P	
17	Post-policy damage from extraction of minerals or water	P	
18	Lack of vehicular and pedestrian access	P	
19	Map not consistent with legal description	P	
20	Post-policy adverse possession	P	
21	Post-policy prescriptive easement	P	
22	Covenant violation resulting in your title reverting to a previous owner	P	
23	Violation of building setback regulations	P	
24	Discriminatory covenants	P	
OTHER BENEFITS:			
25	Pays rent for substitute land or facilities	P	
26	Rights under unrecorded leases	P	
27	Plain language statements of policy coverage and restrictions	P	
28	Compliance with Subdivision Map Act	P	
29	Coverage for boundary wall or fence encroachment*	P	
30	Added ownership coverage leads to enhanced marketability	P	
31	Insurance coverage for a lifetime	P	
32	Post-policy inflation coverage with automatic increase in value up to 150% over five years	P	
33	Post-policy Living Trust coverage	P	

\* Deductible and maximum limits apply. Not available to investors on 1- to 4-unit residential properties. Coverage may vary based on an individual policy.

As with any insurance contract, the insuring provisions express the coverage afforded by the title insurance policy and there are exceptions, exclusions and conditions to coverage that limit or narrow the coverage afforded by the policy. Also, some coverage may not be available in a particular area or transaction due to legal, regulatory, or underwriting considerations. Please contact a First American representative for further information. The services described above are typical basic services. The services provided to you may be different due to the specifics of your transaction or the location of the real property involved.

# WAYS TO TAKE TITLE IN NEVADA

	COMMUNITY PROPERTY	JOINT TENANCY WITH RIGHT OF SURVIVORSHIP	COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP	TENANCY IN COMMON
PARTIES	Requires a valid marriage between two persons.	Any number of persons (can be a married couple)	Requires a valid marriage between two persons.	Parties need not be married; may be more than two tenants in common.
DIVISION	Each spouse holds an undivided one-half interest in the estate.	Each joint tenant holds an equal and undivided interest in the estate, unity of interest.	Each spouse holds an undivided one-half interest in the estate.	Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate, e.g., 20% and 80%; 60% and 40%; 20%, 20%, 20% and 40%; etc.
TITLE	Title is in the "community". Each interest is separate but management is unified	There is only one title to the whole property.	Title is in the "community". Each interest is separate but management is unified.	Each co-owner has a separate legal title to his undivided interest.
POSSESSION	Equal right of possession	Equal right of possession	Equal right of possession.	Equal right of possession.
CONVEYANCE	Both co-owners must join on the conveyance of real property. Separate interests cannot be conveyed.	Conveyance by one co-owner without the others breaks the joint tenancy, provided its recorded prior to death	Both co-owners must join on the conveyance of real property. Separate interests cannot be conveyed.	Each co-owner's interest may be conveyed separately by its owner.
PURCHASER'S STATUS	Purchaser can only acquire whole title of community, but cannot acquire a part of it.	Purchaser will become a tenant in common with the other co-owners in the property.	Purchaser can only acquire whole title of community, but cannot acquire a part of it.	Purchaser will become a tenant in common with the other co-owners in the property
DEATH	On co-owner's death, 1/2 belongs to survivor in severalty, 1/2 goes by will to descendant's devisees or by succession to survivor.	On co-owner's death his interest ends and cannot be disposed of by will. Survivorship owns the property by rights of survivorship.	On co-owner's death, his interest ends and cannot be disposed by will. Estate passes to survivor outside of probate.	On co-owner's death, his interest passes by will to his devisees of heir. No right of survivorship. Subject to court approval.
CREDITOR'S RIGHTS	Co-owner's interest cannot be seized & sold separately. The whole property may be sold at execution sale to satisfy creditors.	Co-owner's interest may be sold at execution sale.	Co-owner's interest cannot be seized & sold separately. The whole property may be sold at execution sale to satisfy creditors.	Co-owner's interest may be sold at execution sale to satisfy creditor. Creditor becomes tenant in common.

Note: This document is intended for information purposes only. You are urged to contact your attorney and certified public accountant regarding the best way for you to hold title inasmuch as your personal circumstances will influence this decision.



# THE ESCROW PROCESS

## WHAT IS AN ESCROW?

An escrow is a process wherein the Buyer and Seller deposit written instructions, documents, and funds with a neutral third party until certain conditions are fulfilled. In a real estate transaction, the Buyer does not pay the Seller directly for the property. The Buyer gives the funds to an escrow company who, acting as an intermediary, verifies that title to the property is clear and all written instructions in the contract have been met. Then the company transfers the ownership of the property to the Buyer through recordation and pays the Seller. This process protects all parties involved.

The State of Nevada licenses and regulates all escrow companies. The Insurance Commissioner and the State Banking Department can inspect a company's records at any time, providing further oversight of the company's management and position as an impartial third party to the transaction.

In Nevada, escrow services are generally provided by a title insurance company instead of an attorney. The stability, reliability and performance of your title and escrow company are vital to protect the interests of all parties to the transaction.

## HOW IS AN ESCROW OPENED?

Once you have completed the contract (or Purchase Agreement) and the Seller has accepted the offer, your REALTOR® will open the escrow. The earnest money deposit and the contract are placed in escrow. As a neutral party to the transaction, First American Title can respond only to those written instructions agreed to mutually by all "interested" parties (Seller and Buyer); First American Title cannot otherwise alter the contract or create instructions, and that protects all interested parties.

## HOW TO HOLD TITLE.

You should inform your escrow officer and lender as soon as possible of how you wish to hold title to your home and exactly how your name(s) will appear on all documents. This allows your lender and title company to prepare all documents correctly. (Changes later, such as adding or deleting an initial in your name, can delay your closing.) A comparison of the ways to hold title in the state of Nevada appears on Page 16. You may wish to consult an attorney, accountant or other professional before deciding how to hold title.

## WHAT HAPPENS AT FIRST AMERICAN TITLE?

During the escrow period, our title department begins researching and examining all historical records pertaining to the subject property. Barring any unusual circumstances, a commitment for title insurance is issued, indicating a clear title or listing any items which must be cleared prior to closing. The commitment is sent to you for review. (See Explanation of Title Commitment on the next page.)

Your escrow officer follows instructions on your contract, coordinates deadlines, and gathers all necessary paperwork. For example, written requests for payoff information (called "demands") are sent to the Seller's mortgage company and any other lien holders.

As part of our service,  
First American Title will:

- › Open escrow and deposit your "good faith" funds in a separate escrow account.
- › Conduct a title search to determine ownership and status of the subject property.
- › Issue a title commitment and begin the process to delete or record items to provide clear title to the property.
- › Per contract, confirm that the lender has determined you, the Buyer, are qualified for a new loan.
- › Ask you to complete a beneficiary's statement if you are assuming the Seller's loan.
- › Meet all deadlines as specified in the contract.
- › Request payoff information for the Seller's loans, other liens, homeowners association fees, etc.
- › Coordinate with Buyer's lender on preparation of the Closing Disclosure.
- › Prorate fees, such as property taxes, per the contract, and prepare the settlement statement.
- › Set separate appointments:
- › Seller will sign documents; you will sign documents and deposit funds.
- › Review documents ensuring all conditions and legal requirements are fulfilled; request funds from lender.
- › When all funds are deposited, record documents at the County Recorder to transfer the subject property to you.
- › After recordation is confirmed, close escrow and disburse funds, including Seller's proceeds, loan payoffs, REALTORS® commissions, related fees for recording, etc.
- › Prepare and send final documents to parties involved.

# LIFE OF AN ESCROW



Practices vary by state and are subject to local laws and customs.

# CLOSING YOUR ESCROW

## WHAT TO DO BEFORE THE CLOSING APPOINTMENT.

Your escrow officer or escrow technician will contact you to schedule your closing appointment and inform you of the funds you need to bring with you. Obtain a cashier's check for that amount made payable to First American Title Insurance Company. If a wire transfer is necessary, arrange for it in advance with your escrow officer.

## FIRST AMERICAN TITLE IS REQUIRED BY LAW TO HAVE

funds deposited before escrow funds can be disbursed. Expect delays if you submit a personal check! If you have questions or anticipate a problem, contact your escrow officer immediately.

## DON'T FORGET YOUR IDENTIFICATION.

You will need valid identification with your photo; a driver's license is preferred. This is necessary so that your identity can be sworn to by a notary public. It's a routine step, but it's important for your protection.

Your lender may require a secondary form of identification. Check with your lender for a list of valid secondary identification.

## AFTER THE CLOSING

We recommend you keep all records pertaining to your home together in a safe place, including all purchase documents, insurance, maintenance and improvements.

**Loan payments and impounds.** You should receive your loan coupon book or statement before your first payment is due. If you don't receive one, or if you have questions about your tax and insurance impounds, contact your lender.

**Home warranty repairs.** If you have a home warranty policy, call your home warranty company directly for repairs. Have your policy number available when you call.

**Recorded deed.** The original deed to your home will be mailed directly to you by the County Recorder, generally within two to three weeks.

**Title insurance policy.** First American Title will mail your policy to you in about two to three weeks.

## WHAT HAPPENS NEXT?

During your closing appointment at First American Title, you will sign loan documents and instructions to transfer the title of the home you are purchasing and you will present your identification so the documents can be notarized. You will review the settlement statement and give the escrow officer your cashier's check. (The Seller will sign at a separate appointment.)

The signed loan documents will be returned to the lender for review. First American Title will ensure that all contract conditions have been met and ask the lender to "fund the loan." If the loan documents are satisfactory, the lender will send the funds directly to First American Title, usually within 24 hours. When the loan funds are received, First American Title will verify that all necessary funds have been received. We will then record the deed at the County Recorder's Office and disburse escrow funds to the Seller and other appropriate payees. At this time, your escrow is closed!

## YOU GET THE KEYS.

After the escrow is closed, we will notify your REALTOR® who will give you the good news and arrange for you to receive the keys to your new home.

**Property taxes.** You may not receive a tax statement for the current year on the home you buy; however, it is your obligation to make sure the taxes are paid when due. Check with your lender to find out if taxes are included with your payment. For more information on your property taxes contact your local Treasurer's Office.

## IMPORTANT PROPERTY TAX DATES

Tax due dates for each quarter are listed below:

- 1st Quarter Due on: Third Monday of August
- 2nd Quarter Due on: First Monday of October
- 3rd Quarter Due on: First Monday of January
- 4th Quarter Due on: First Monday of March

Last day to pay without penalty is 10 days after the due date

note: You are responsible for paying the Property taxes on your home EVEN IF YOU DON'T RECEIVE A TAX BILL!



## A HOME WARRANTY

A home warranty is an insurance policy that covers a variety of mechanical, electrical, and plumbing items, as well as some appliances, inside the home. Optional coverage is available for more expensive systems such as air conditioners, refrigerators, pools and spas.

The Seller may purchase a home warranty plan prior to selling to protect against repairs needed during the listing period, and the Buyer may be able to assume the policy at the close of escrow.

A home warranty plan can also be paid for at the close of escrow. A copy of the invoice is presented to the escrow officer and lender, and it becomes part of the closing costs.

## ADDITIONAL TITLE THREATS

There are many title issues that could cause you to lose your property or your mortgage investment. Even the most careful search of public records may not disclose the most dangerous threat: hidden risks. These issues may not be uncovered until years later. Without title insurance from a reputable and financially solvent company, your title could be worthless. With the proper insurance, your rights will be defended in court. Here are some of the issues that occur most frequently.

- › Deeds by persons supposedly single, but secretly married
- › Deeds delivered after death of grantor/grantee, without consent of grantor
- › Deeds in lieu of foreclosure given under duress
- › Marital rights of spouse purportedly, but not legally, divorced
- › Impersonation of the true owner of the land
- › Deeds by minors
- › Deeds by persons of unsound mind
- › Deeds to or from defunct corporations
- › Defective acknowledgments by notaries
- › Discovery or will of apparent intestate
- › Duress in execution of instruments
- › Erroneous reports furnished by tax officials
- › Forged deeds, releases, etc.
- › Misrepresentation of will
- › Mistakes in recording legal documents
- › Surviving children omitted from will
- › Administration of estate of persons absent but not deceased
- › Birth or adoption of children after date of will
- › Claims of creditors against property sold by heirs or devisees
- › Deed of community property recited to be separate property
- › Deeds by foreign parties





# PLANNING YOUR MOVE

## SIX WEEKS BEFORE:

- Create an inventory sheet of items to move.**
- Research moving options.** You'll need to decide if yours is a do-it-yourself move or if you'll be using a moving company.
- Request moving quotes.** Solicit moving quotes from as many moving companies and movers as possible. There can be a large difference between rates and services within moving companies.
- Discard unnecessary items.** Moving is a great time for ridding yourself of unnecessary items. Have a yard sale or donate unnecessary items to charity.
- Packing materials.** Gather moving boxes and packing materials for your move.
- Contact insurance companies.** (Life, Health, Fire, Auto) You'll need to contact your insurance agent to cancel/transfer your insurance policy. Do not cancel your insurance policy until you have and closed escrow on the sale.
- Seek employer benefits.** If your move is work-related, your employer may provide funding for moving expenses. Your human resources rep should have information on this policy.
- Changing Schools.** If changing schools, contact new school for registration process.

## FOUR WEEKS BEFORE:

- Contact utility companies.** Set utility turnoff date, seek refunds and deposits and notify them of your new address.
- Obtain your medical records.** Contact your doctors, physicians, dentists and other medical specialists who may currently be retaining any of your family's medical records. Obtain these records or make plans for them to be delivered to your new medical facilities.
- Note food inventory levels.** Check your cupboards, refrigerator and freezer to use up as much of your perishable food as possible.
- Service small engines** for your move by extracting gas and oil from the machines. This will reduce the chance to catch fire during your move.
- Protect jewelry and valuables.** Transfer jewelry and valuables to safety deposit box so they can not be lost or stolen during your move.
- Borrowed and rented items.** Return items which you may have borrowed or rented. Collect items borrowed to others.

## ONE WEEK BEFORE:

- Plan your itinerary.** Make plans to spend the entire day at the house or at least until the movers are on their way. Someone will need to be around to make decisions. Make plans for kids and pets to be at the sitters for the day.
- Change of address.** Visit USPS for change of address form.
- Bank accounts.** Notify bank of address change. Make sure to have a money order for paying the moving company if you are transferring or closing accounts.
- Service automobiles.** If automobiles will be driven long distances, you'll want to have them serviced for a trouble-free drive.
- Cancel services.** Notify any remaining service providers (newspapers, lawn services, etc) of your move.
- Start packing.** Begin packing for your new location.
- Travel items.** Set aside items you'll need while traveling and those needed until your new home is established. Make sure these are not packed in the moving truck!
- Scan your furniture.** Check furniture for scratches and dents before so you can compare notes with your mover on moving day.
- Prepare Floor Plan.** Prepare floor plan for your new home. This will help avoid confusion for you and your movers.

## MOVING DAY:

- Review the house.** Once the house is empty, check the entire house (closets, the attic, basement, etc) to ensure no items are left or no home issues exist.
- Sign the bill of lading.** Once you are satisfied with the mover's packing your items into the truck, sign the bill of lading. If possible, accompany your mover while the moving truck is being weighed.
- Double check with your mover.** Make sure your mover has the new address and your contact information should they have any questions during your move.
- Vacate your home.** Make sure utilities are off, doors and windows are locked and notify your real estate agent you've left the property.

# TERMS YOU SHOULD KNOW

## APPRAISAL

An estimate of value of property resulting from analysis of facts about the property; an opinion of value.

## ANNUAL PERCENTAGE RATE (APR)

The borrower's costs of the loan term expressed as a rate. This is not their interest rate.

## BENEFICIARY

The recipient of benefits, often from a deed of trust; usually the lender.

## CLOSING DISCLOSURE (CD)

Closing Disclosure form designed to provide disclosures that will be helpful to borrowers in understanding all of the costs of the transaction. This form will be given to the consumer three (3) business days before closing.

## CLOSE OF ESCROW

Generally the date the buyer becomes the legal owner and title insurance becomes effective.

## COMPARABLE SALES

Sales that have similar characteristics as the subject real property, used for analysis in the appraisal. Commonly called "comps."

## CONSUMMATION

Occurs when the borrower becomes contractually obligated to the creditor on the loan, not, for example, when the borrower becomes contractually obligated to a seller on a real estate transaction. The point in time when a borrower becomes contractually obligated to the creditor on the loan depends on applicable State law. Consummation is not the same as close of escrow or settlement.

## DEED OF TRUST

An instrument used in many states in place of a mortgage.

## DEED RESTRICTIONS

Limitations in the deed to a parcel of real property that dictate certain uses that may or may not be made of the real property.

## DISBURSEMENT DATE

The date the amounts are to be disbursed to a buyer and seller in a purchase transaction or the date funds are to be paid to the borrower or a third party in a transaction that is not a purchase transaction.

## EARNEST MONEY DEPOSIT

Down payment made by a purchaser of real property as evidence of good faith; a deposit or partial payment.

## EASEMENT

A right, privilege or interest limited to a specific purpose that one party has in the land of another.

## ENDORSEMENT

As to a title insurance policy, a rider or attachment forming a part of the insurance policy expanding or limiting coverage.

## HAZARD INSURANCE

Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. Buyer often adds liability insurance and extended coverage for personal property.

## IMPOUNDS

A trust type of account established by lenders for the accumulation of borrower's funds to meet periodic payments of taxes, mortgage insurance premiums and/or future insurance policy premiums, required to protect their security.

## LEGAL DESCRIPTION

A description of land recognized by law, based on government surveys, spelling out the exact boundaries of the entire parcel of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.

## LIEN

A form of encumbrance that usually makes a specific parcel of real property the security for the payment of a debt or discharge of an obligation. For example, judgments, taxes, mortgages, deeds of trust.

## LOAN ESTIMATE (LE)

Form designed to provide disclosures that will be helpful to borrowers in understanding the key features, costs and risks of the mortgage loan for which they are applying. Initial disclosure to be given to the borrower three (3) business days after application.

## MORTGAGE

The instrument by which real property is pledged as security for repayment of a loan.

## PITI

A payment that includes Principal, Interest, Taxes, and Insurance.

## POWER OF ATTORNEY

A written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an "Attorney-in-Fact."

## RECORDING

Filing documents affecting real property with the appropriate government agency as a matter of public record.

## SETTLEMENT STATEMENT

Provides a complete breakdown of costs involved in a real estate transaction.

## TRID

TILA-RESPA Integrated Disclosures

# FIRST AMERICAN TITLE LOCATIONS

## SOUTHERN NEVADA

### WEST RUSSELL

9139 West Russell Road, Suite 100  
Las Vegas, NV 89148  
PHONE 702.263.1225  
FAX 866.427.0744

### NORTH BUFFALO

2500 North Buffalo Drive, Suite 150  
Las Vegas, NV 89128  
PHONE 702.251.5000  
FAX (Call Department for Fax #)

### LAKE MEAD

7251 W Lake Mead Blvd., Suite 100  
Las Vegas, NV 89128  
PHONE 702.240.4220  
FAX 866.241.9406

### WEST CHARLESTON

10000 West Charleston Blvd., Suite 180  
Las Vegas, NV 89135  
PHONE 702.254.8286  
FAX 702.254.1012

### HENDERSON

701 N. Green Valley Parkway, Suite 120  
Henderson, NV 89074  
PHONE 702.731.4131  
FAX 702.855.0880

## NORTHERN NEVADA

### INCLINE VILLAGE

940 Southwood Blvd., Suite 203  
Incline Village, NV 89451  
PHONE 775.831.2488  
FAX 866.900.6431

### RENO

5310 Kietzke Lane, Suite 100  
Reno, NV 89511  
PHONE 775.823.6200  
FAX 775.823.6250

### MINDEN

1663 Highway 395, Suite 101  
Minden, NV 89423  
PHONE 775.782.5411  
FAX 775.782.5421

### SPARKS

4860 Vista Blvd., Suite 200  
Sparks, NV 89436  
PHONE 775.685.8006  
FAX 866.270.9652

## Count on First American Title for

**SERVICE** Your REALTOR® recommends First American Title with confidence, knowing each of our branches is staffed by professionals dedicated to closing your escrow.

**STABILITY** First American Title is the principle subsidiary of First American Financial (NYSE: FAF). Since 1889, we have been committed to providing quality information backed by a guarantee of integrity and a confidence that First American Title would be there to stand behind its word. This commitment has given our policyholders the peace of mind they need to complete their valuable transactions. With local roots dating back to 1892, we've been serving Nevada families for generations

**CONVENIENCE** We offer more convenient locations - 4 offices in the Las Vegas area and more than 10 throughout Nevada. First American has an extensive network of offices and agents throughout the United States, the Bahama Islands, Canada, Mexico, Puerto Rico, the U.S. Virgin Islands, Bermuda, Guam, and the United Kingdom. Our Nevada Division headquarters is located at in Henderson.

**FOR ALL OF YOUR NEEDS** First American Title offers more than title insurance and escrow services: Property research, Account servicing, Foreclosures, 1031 tax-deferred exchanges



*First American Title*<sup>™</sup>