



# BUYER GUIDE 2024

A Complete Guide To Help Navigate The Home Buying Process

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Including Consumer Financial Protection Bureau Information

**PROVIDED BY:**

First Centennial Title Co.  
[www.FirstCentennial.com](http://www.FirstCentennial.com)





# BUYER GUIDE 2024

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# HOMEBUYER GUIDE

Dear Home Buyer,

Thank you for giving us the opportunity to help guide you through your home buying process. It can be very confusing, sometimes complicated, and is always important to you, your family, your future and us. Please be assured you will receive our very best service incorporating all our experience and training to make a committed effort to have this process be understandable, hassle free and hopefully, a pleasure for all involved. So let's get started!

**The information in the handbook will educate and assist you with the following:**

- *Help determine your wants and needs*
- *Steps of the buying process*
- *Loan information*
- *Explaining the escrow and title process*
- *Physical inspections process*
- *Helpful Moving Tips*

We look forward to working with you during the entire home buying process. We welcome any questions you may have after reading this information. Please feel free to contact us at anytime.

*First Centennial Title Co.*





# THE BUYING PROCESS





# IMPORTANT TRANSACTION CONTACTS

**NAME:**

**COMPANY:**

**ADDRESS:**

**CITY/STATE/ZIP:**

**OFFICE:**

**CELL:**

**E-MAIL:**

**FAX:**

**NAME:**

**COMPANY:**

**ADDRESS:**

**CITY/STATE/ZIP:**

**OFFICE:**

**CELL:**

**E-MAIL:**

**FAX:**

**NAME:**

**COMPANY:**

**ADDRESS:**

**CITY/STATE/ZIP:**

**OFFICE:**

**CELL:**

**E-MAIL:**

**FAX:**

# BUYER'S NEEDS EVALUATION

Name (s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

OWN  RENT  CHILDREN? YES  NO  If yes, ages: \_\_\_\_\_

Why have you decided to move? \_\_\_\_\_

When would you like to move? \_\_\_\_\_

How long have you been looking? \_\_\_\_\_

Describe your present home: \_\_\_\_\_

What do you like most about your present home? \_\_\_\_\_

What do you like least about your present home? \_\_\_\_\_

Hobbies & Special Interests: \_\_\_\_\_

Are there any particular areas, neighborhoods or homes you like? \_\_\_\_\_

Is your home currently on the market? YES \_\_\_\_\_ NO \_\_\_\_\_

Needs & Wants: Bedrooms: \_\_\_\_\_ Baths: \_\_\_\_\_ Stories: \_\_\_\_\_

Separate Dining Room \_\_\_\_\_ Eat-in Kitchen \_\_\_\_\_ Family Room \_\_\_\_\_

Fire Place \_\_\_\_\_ Acreage \_\_\_\_\_ Transportation Needs \_\_\_\_\_ School District \_\_\_\_\_



# PROPERTY CRITIQUE

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

Beds: \_\_\_\_\_ Baths: \_\_\_\_\_

Sq. Ft: \_\_\_\_\_ F/P: \_\_\_\_\_

Living: \_\_\_\_\_ Dining: \_\_\_\_\_

PROS	CONS

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

Beds: \_\_\_\_\_ Baths: \_\_\_\_\_

Sq. Ft: \_\_\_\_\_ F/P: \_\_\_\_\_

Living: \_\_\_\_\_ Dining: \_\_\_\_\_

PROS	CONS

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

Beds: \_\_\_\_\_ Baths: \_\_\_\_\_

Sq. Ft: \_\_\_\_\_ F/P: \_\_\_\_\_

Living: \_\_\_\_\_ Dining: \_\_\_\_\_

PROS	CONS

# BUY OR RENT



Should you buy or should you rent? This has become a complicated question for thousands of consumers. Not only is this question loaded with personal and lifestyle considerations, but financial issues as well. For some, buying is the only sensible thing to do and for others, renting is much more convenient. Most homeowners enjoy the pride of ownership of owning such a large investment, and other enjoy having a place to call "home" The chart below gives you a picture of what is happening to your money. The rent you pay adds up to a sizable bulk of money.

RENT	1 YEAR	3 YEARS	5 YEARS	10 YEARS	15 YEARS	RETURN
\$800	\$9,600	\$28,000	\$48,000	\$96,000	\$144,000	\$0
\$900	\$10,800	\$32,400	\$54,000	\$108,000	\$162,000	\$0
\$1,000	\$12,000	\$36,000	\$60,000	\$120,000	\$180,000	\$0
\$2,000	\$24,000	\$72,000	\$120,000	\$240,000	\$360,000	\$0
\$2,500	\$30,000	\$90,000	\$150,000	\$300,000	\$450,000	\$0

## RENT

1. No interest-payment deductions.
2. Rental amount may increase at any time.
3. Landlord approval needed for any changes.
4. No capitalization; your money disappears forever.
5. Rental is temporary and often subject to a 30-day notice.

vs

## BUY

1. Mortgage interest may be tax deductible.
2. Decorate and make changes, without prior approval.
3. The value of your property may increase in time.
4. Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord.
5. Your payments stay the same with a fixed rate loan.
6. You enjoy greater privacy.
7. Pride of Ownership



# THE BUYING PROCESS



# KEY TERMS TO KNOW IN THE HOMEBUYING PROCESS



## APPRAISAL

**A professional analysis used to estimate the value of a home.**

A necessary step in validating a home's worth to you and your lender as you secure financing.



## CLOSING COSTS

**The fees required to complete the real estate transaction. These are paid at closing, they include points, taxes, title insurance, financing costs, and items that must be prepaid or escrowed.**

Ask your lender or real estate agent for a complete list of closing cost items.



## CREDIT SCORE

**A number ranging from 300-850 that's based on an analysis of your credit history.**

Helps lenders determine the likelihood you'll repay future debts.



## DOWN PAYMENT

**Down payments are typically 3-20% of the purchase price of the home. Some 0% down programs are available.**

Ask your lender for more information.



## REAL ESTATE PROFESSIONAL

**An individual who provides services in buying and selling homes.**

Real Estate Professionals are there to help you through the confusing paperwork, find your dream home, negotiate any of the details that come up, and so you know exactly what's going on in the housing market.



## MORTGAGE RATE

**The interest rate you pay to borrow money when buying a home.**

The lower the rate, the better.



## PRE-APPROVAL LETTER

**A letter from a lender indicating you qualify for a mortgage of a specific amount.**

This is a critical step in today's competitive market.

The best way to ensure your homebuying process is a confident one is to find a real estate professional who will put your needs first and guide you through every aspect of the transaction with **'the heart of a teacher'**





# THE LOAN PROCESS

# TYPES OF LOANS

## **ADJUSTABLE RATE MORTGAGE**

Adjustable rate mortgages have an interest rate that is adjusted at certain intervals based on a specific index during the life of the loan.

## **BALLOON PAYMENT LOAN**

A fixed rate loan that is amortized over a certain time frame but becomes due and payable at the end of a prior designated time. May be extendable or may roll-over into another type of loan.

## **BUY-DOWN LOAN**

Buy-Down loans are fixed rate loans where the interest rate and the payment are reduced for a specific period of time by paying the interest up front to subsidize the lower payment.

## **COMMUNITY HOMEBUYER'S PROGRAM**

A fixed rate loan for first time buyers with a low down payment, usually 3-5%, no cash reserve requirement and easier qualifying ratios. Subject to borrower meeting income limits and attendance of a four hour training course on home ownership.

## **CONVENTIONAL LOAN**

Conventional loans are sometimes more lenient with the appraisal and condition of the property. When you are buying a "fixer upper" you may need to use a conventional loan. Homes purchased above the FHA loan limit are usually financed with conventional loans.

## **FHA LOAN**

FHA loans are insured by the Federal Housing Administration under H.U.D. They offer a low down payment and are easier to qualify for than conventional loans.

## **FIXED RATE LOAN**

A fixed rate loan has one interest rate that remains constant throughout the life of the loan.

## **GRADUATED PAYMENT MORTGAGE**

A fixed rate loan that has payments starting lower than a standard fixed rate loan, which then increases by a predetermined amount each year for a set number of years.

## **NON-QUALIFYING LOAN**

Non-Qualifying loans are pre-existing loans which can be assumed by a buyer from the seller of a property without going through the qualifying process. The buyer pays the seller for their equity and then starts making payments.

## **VA LOAN**

VA loans are guaranteed by the Veterans Administration. A veteran must have served 180 days active service.





# OBTAINING A NEW LOAN

## WHEN AND WHERE TO APPLY FOR A LOAN?

There are numerous sources for home loans including credit unions, banks, mortgage brokers, and mortgage companies. Apply for your loan as soon as possible. It is a good idea to know what you can afford before you begin looking for your new home. It may give you more bargaining power when negotiating with a seller, especially in today's market. A lender can pre-qualify you for a certain price range and help you get started in the home buying process.

## CONTACT YOUR INSURANCE AGENT EARLY

While in the buying process, make sure to contact your insurance agent early because this coverage must be provided in order for the lender to release loan funds to your settlement/closing agent. Hazard insurance is one of the items that is frequently postponed until the last minute, which can lead to a delay in closing. Order your insurance as soon as your loan is approved; then provide the insurance agent's name and phone number to your settlement/closing agent. Be sure to ask about coverage in your homeowner's policy to insure your personal belongings and to protect against liability for such events as injuries to visitors.

## 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. If you are buying a condo, a master policy should already exist to include your unit- but it does not cover your personal belongings.

## YOUR LENDER WILL MAIL VERIFICATION REQUESTS

Your lender will also mail you verification requests and order an appraisal on the property you are buying. If your lender asks for additional items, make sure to comply promptly in order to avoid possibly delaying your loan approval.



## PROTECT YOUR INFORMATION



When you buy, sell or refinance a home, you will be required to submit personal information to your lender and escrow officer. This information may include Social Security numbers, bank account numbers and credit and loan account numbers. Unfortunately, fraudsters sometimes attempt to steal personal information and even money through real estate transactions.

### PROTECT YOURSELF AND REMEMBER TO:

Always thoroughly examine the email addresses from which you receive updates on your transaction to make sure it is correct. If an email seems suspicious, let your real estate agent and escrow officer know immediately.

Call your escrow officer immediately if you receive an email requesting to change the wiring instructions for your transaction.

Carefully look over your personal information on your transaction paperwork to ensure it is correct.

Communicate or confirm any changes to the transaction with your real estate and escrow officer over the phone or in person.

Do not provide any information about yourself or your transaction to any unknown or unnecessary parties.

Contact your escrow officer or real estate agent if you suspect your email address is being improperly used or if you do not receive funds in a timely manner.



# OUTLINE OF A LOAN



## **SHOPPING FOR A LENDER**

A very important part of purchasing a home is finding the right lender. Listed below are questions to ask while shopping for a lender and characteristics you should look for when choosing a lender. When shopping for a lender be aware that guidelines and policies vary among different lenders.

### **QUESTIONS TO ASK WHILE SHOPPING FOR YOUR LENDER**

- Is the company well known in the area?
- How long has the company been in the business?
- Does the lender have access to a wide variety of loan packages?
- Will the interest rate be locked for a minimum of 45 days? Will there be additional fees if rate lock expires?

## **GETTING PREQUALIFIED**

- Most real estate agents and lenders recommend that home buyers get pre-qualified with a lender before selecting a home to purchase. This way you will have the best information about the right price range for your pocketbook.

## **REASONS TO GET PREQUALIFIED**

- With prequalification, you can determine which loan program best fits your need and which programs you qualify for.
- You will know exactly how much you are qualified for. It's no fun to find your ideal home and then find out you can't afford it!
- You will have a gauge of your monthly payment. This will allow you to budget your money before making this large investment.
- It will give you estimated closing costs.
- If you are a first-time buyer, you may be able to qualify for a special first time buyer program which may allow you to afford more home for your money.
- Co-mortgage financing may be available to you.



# THE LOAN PROCESS

## PRE-APPROVAL/INTERVIEW

- Buyer to schedule appointment with their lender to complete loan application upon offer and acceptance.
- Sign loan estimate.

## SIGNED LOAN SUBMISSION

### Loan Estimate (LE):

Form designed to provide disclosure that will be helpful to consumers in understanding the key features, costs and risks of the mortgage loan for which they are applying. Initial disclosure to be given to the consumer three (3) business days after applications and replaces the GFE and early TIL. In addition DON'T FORGET! These are requested items upfront for the most accurate Closing Disclosure: SRPD, Inspections, Repairs, Withholds, HOA info, Home Warranty.

## DOCUMENTATION

- Supporting documents come in.
- Lender checks on any problems.
- Requests for any additional items are made.

## LOAN APPROVAL

- Parties are notified of approval.

## CLOSING DISCLOSURE (CD)

### Will be issued by the Lender to the Borrower

The Closing Disclosure form is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. This form will be given to the consumer three (3) business days before closing and replaces the HUD-1 and final Truth in Lending (TIL) disclosure on impacted transactions.

## DOCUMENTS ARE DRAWN

- Loan documents are completed and sent to escrow.
- Borrowers come in for final signatures.

## FUNDING

- Lender reviews the loan package.
- Funds are transferred by wire.

## RECORDING OF DOCUMENTS

First Centennial Title records the Deed of Trust at the County Recorder's office. *Escrow is now officially closed.*

**CONGRATULATIONS! YOU ARE A PROUD HOMEOWNER!**



# LOAN APPLICATION PROCESS

## **Be prepared to provide the following to your lender (as applicable)**

Addresses of residences (2 years)

Social Security Number

Driver's License or other valid ID

Employer names/addresses (2 years)

Two recent pay stubs

Federal Tax Returns (2 years)

W-2's (2 years)

Bank Statements

Loans/Credit Cards: Names, addresses, account numbers, and payment amounts

Addresses and values of other real estate owned

Funds to pay for credit report and appraisal

Value of personal property

For a VA loan: Certificate of Eligibility or DD 214s

Divorce decree (if applicable)

Letters of explanation regarding credit inquiries or special circumstances



# MORTGAGE LOAN POINTS EXPLAINED



## **WHAT IS A POINT?**

One point is equal to 1% of the NEW Loan Amount.

## **WHY DO LENDERS CHARGE POINTS?**

Whenever governmental regulation, state usury law and/or competitive practices prohibit the lender from charging a rate of interest which would make the real estate loan competitive with other fields of investments, the lender must seek some method of increasing the yield for the investors. By charging "points", the lender can bring the real estate loan up to those other investments.

## **ARE POINTS CALLED BY DIFFERENT NAMES?**

Yes. Loan Origination Fee, Commitment Fee, Discount Fee, Warehousing Fee, Funding Fee, etc.

## **WHO MUST PAY THE POINTS?**

*FHA:* The buyer is usually charged with the Loan Origination Fee; the Discount Fee can be paid by the Buyer or Seller.

*VA:* The Buyer is usually charged with the Loan Origination Fee and the Funding Fee.

*Conventional:* Points can be paid by the Buyer, the Seller, or split between the two.

State on Contract of Sale!

*City/County/State government sponsored loans:* As published by them.

## **DO THE NUMBER OF POINTS CHARGED FLUCTUATE?**

Yes. If the rates on mortgage loans are lower than other investments (such as stocks, bonds, etc.) then funds will be drawn away from the mortgage market. Also, when there is a heavy demand upon the money market because of business needs, role requirements or other government borrowing, the result is that money for home mortgages become scarce and more expensive. When this occurs, more points can be charged. Points balance the market. Points are not set by government regulation but by each lender individually.

## **ON VA LOANS, IS THERE ANY WAY TO LOCK IN THE NUMBER OF POINTS?**

Not without jeopardizing the sale. Even when a lender stipulates in writing the number of points to be charged, that guarantee states "if the interest rate is not changed by the government". Points charged on an FHA or conventional loan are usually not changed from commitment time to settlement.

## **IS FHA OR VA FINANCING UNFAIR TO SELLERS?**

No. Homes can sell faster because more buyers can qualify with the lower down payment requirement, lower interest rate, long term loans with lower monthly payments. Sellers receive all cash for their equity to reinvest in a new home or other investment. The purpose of these loans is to provide purchasers the opportunity to buy homes with minimal cash investment thus providing a bigger market for sellers.

## **ARE POINTS DEDUCTIBLE FOR INCOME TAX PURPOSES?**

Points on a home mortgage (for the purchase or improvement of, and secured by, the taxpayer's principal residence) are deductible currently if points are generally charged in the geographical area where the loan is made and to the extent of the number of points generally charged in that area for a home loan. If you are in doubt about points being deductible, you should contact your tax return preparer.



# THE ESCROW PROCESS





# WHAT IS ESCROW?

Once your offer on a home or other property has been accepted by the seller, your transaction is then placed into "escrow".

"Escrow" is a term that describes the neutral third-party handling of funds, documents, and tasks specific to the closing (or settlement, as it is also known), as outlined on the real estate purchase agreement or sales contract. The purpose of escrow is to facilitate the transaction by managing the disbursement of funds and documents.

## KEY PLAYERS

In accordance with local custom, the buyer or seller involved in the transaction will select the escrow provider. This provider could be an escrow company, title officer, or title/escrow attorney, depending upon many considerations, including the geographical location of the transaction.

## ROLES

The escrow provider may have a duty to arrange and/or track the requirements and contingencies outlined within the purchase contract. These might include home inspections, the purchase of homeowners insurance, the completion of negotiated repairs, and financing requirements.

## PROCESS

Once all transaction contingencies are met, including the execution of all documents necessary to complete the transaction, the escrow company will disburse funds to the seller and other parties, all in accordance with the purchase agreement.

## COST

The cost of escrow services is covered by the buyer or seller as determined by local custom, market conditions, or contractual agreements made within the purchase agreement.

## CLOSING

Once all the tasks described within the sales purchase agreement have been completed and the appropriate funds are disbursed, the transaction is complete and the escrow closes.

Provided by an Independent Policy-Issuing Agent of First American Title Insurance Company





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# THINGS TO **AVOID** DURING THE CLOSING PROCESS



**Don't** change bank accounts.



**Don't** apply for new credit or close any credit accounts.



**Don't** make any large purchases.



**Don't** change your marital status.

**Don't** change jobs.



**Don't** co-sign other loans for anyone.



The best plan is to fully discuss and disclose your intentions with your lender before you do anything financial.



# CLOSING DAY

## VALID PHOTO IDENTIFICATION

To help defend against forgery and fraud, state notary laws include requirements that parties signing documents in a real estate transaction to provide acceptable forms of identification.

## ACCEPTABLE IDENTIFICATION

Documents must be current and contain the signer's photograph, physical description, signature, and bear a serial or other identification number.

- \* Valid Driver's License or Non Driver ID issued by any State
- \* U.S. Passport or Foreign Passport stamped by the U.S. Citizenship and Immigration Services (USCIS)
- \* Valid U.S. Military ID
- \* Veterans Health ID Card
- \* Valid Canadian or Mexican Driver's License issued by the Official Agency

## UNACCEPTABLE IDENTIFICATION

- Temporary Driver's License
- Driver's License without a Photograph
- Social Security Card
- Employee ID Badge
- Permanent Resident ID Card

Closing document signatures must match the name that appears on the identification presented. An

abbreviated form (John D. Smith instead of John David Smith, for example) may be acceptable.

However, deviation is only allowed if the individual is signing with less than and not more than what is on the identification document. If your name has changed, or will change, prior to the closing, documentation must be provided to support the change.

## CASHIER'S CHECK, TREASURER'S CHECK, OR WIRE TRANSFER

In the event you are required to bring funds to closing, personal checks or cash cannot be accepted. If you prefer to wire your funds, contact your closing/settlement agent for banking routing instructions. If you will be bringing a proceeds check from another settlement, contact your closing/settlement agent to verify the acceptance of those funds.

## HAZARD INSURANCE POLICY AND RECEIPT

A hazard policy, also known as homeowner's insurance, with the lender designated as the insured holder of the mortgage, is required on most loans. Evidence of hazard insurance, including a paid receipt, must be provided prior to closing.

## IF POSSIBLE, ALL PARTIES WHO HOLD TITLE TO THE PROPERTY SHOULD ATTEND THE CLOSING

State-specific laws may require the spouse of the parties in title, even though their name does not appear on the deed, to sign certain documents when obtaining a mortgage. If anyone is unable to attend closing, contact your closing/settlement agent to arrange a power of attorney or closing by mail.

## IF APPLICABLE

- " Home Warranty Application
- " Payoff Authorization to Release Information
- " Power of Attorney (original needed at closing)
- " Divorce Decree and Quit Claim Deed (original needed at closing, if not recorded)
- " Court Order from Bankruptcy Court
- " Corporation Documents: Board of Resolution, Certificate of Good Standing and Articles of Organization
- " Death Certificate (original needed at closing)
- " Prior Owner's Title Policy
- " Trust Agreement and Attorney Contract
- " Letter of Authority for Probated Estate (original needed at closing, if not recorded)
- " Limited Liability Company Documents





# WHAT HAPPENS AFTER CLOSING?

**It is recommended that you keep all records that pertain to your home together in a safe place, which includes all purchase documents, insurance, maintenance and improvements.**

## KEYS TO HOME

You have been supplied with a set of keys to your new home. To ensure security, change the locks before moving in.

## UTILITIES

If you have not already done so, contact the local service providers to make arrangements for electricity, water, gas, cable, phone, or satellite services. While some providers may need as little notice as a day to activate your services, it's best to give them a few weeks' notice.

## RECORDED DEED

Once recorded in the official county records, the original deed to your new home will be mailed to you and that will usually take four-to-six weeks.

## LOAN PAYMENTS

Instructions should have been provided to you as a part of your closing with information and details to help you make your first loan payment.

## PROPERTY TAXES

At the time of closing, prorated property taxes were collected based on occupancy time in the home. You may not receive a tax statement for the current year; however it is your responsibility to make sure the taxes are paid when due.

## POSTAL SERVICE

The local Post Office can provide the necessary documents needed to change your address and they can expedite the delivery of mail to your new home. You can also speed up this process by letting everyone who sends you mail know that you have a new address and the date that you moved.

## DRIVER'S LICENSE, VEHICLE REGISTRATION AND INSPECTION

You are required by law to notify the DMV after any relocation so that a new driver's license can be issued. You will also need to have your auto registration transferred to your new address.

# THE TITLE PROCESS





# TITLE INSURANCE

Many home buyers just assume that when they purchase a piece of property, possession of the deed to the property is all they need to prove ownership. This is not true. Hidden hazards may attach to real estate. A property owner's greatest protection is a policy of title insurance.

## **What Is Title Insurance?**

It is a contract of indemnity which guarantees that the title is as reported and, if not reported and the owner is damaged, the title policy covers the insured for their loss up to the amount of the policy.

Title insurance assures owners that they are acquiring marketable title. Title insurance is designed to eliminate risk or loss caused by defects in title from the past. Title insurance provides coverage only for title problems which were already in existence at the time the policy was issued.

## **The Title Search**

Title companies work to eliminate risks by performing a search of the public records. The search consists of public records, laws and court decisions pertaining to the property to determine the current recorded ownership, any recorded liens or encumbrances or any other matters of record which could affect the title to the property. When a title search is complete, the title company issues a preliminary title report detailing the current status of title.

## **The Title Commitment**

A title commitment contains vital information which can affect the close of escrow: ownership of the subject property, how the current owners hold title, matters of record that specifically affect the subject property or the owners of the property, a legal description of the property and an informational plat map.



# COMMON TITLE ISSUES

**Your home may be new to you, but every property has a history. An intensive title search can reveal any title flaws that may be tied to your property. Common title issues may include:**

## UNKNOWN LIENS

The previous owners of your property may not have been accurate bookkeepers or bill payers. Even though the former debt is not your own, banks or other financing companies can place liens on your property for those unpaid debts even after you have taken title to the property. This is an alarming issue with distressed properties especially.

## BOUNDARY/SURVEY DISPUTES

You may have seen multiple surveys of your property prior to purchasing. However, other surveys may exist that show differing boundaries, which means that a neighbor or other party may be able to claim ownership to a portion of your property.

## ERRORS IN PUBLIC RECORDS

Humans are subject to error but when those errors affect your home ownership rights, those mistakes can be mortifying. Filing or clerical errors could affect the deed or survey of your property and cause undue financial tension in order to resolve them.

## UNDISCOVERED WILL

When the owner of a property dies with no heir or will, the state may sell his or her assets, which includes the home. When you buy such a home, you automatically assume your rights as owner. However, years later, the deceased owner's will may surface and your rights to the property may be affected.

## ILLEGAL DEEDS

While the chain of title on your property may appear perfectly stable, it is possible that a previous deed was made by an undocumented immigrant, a minor, a person of mental instability, or one who is reported single but it actually married. These circumstances could affect the validity of prior deeds, affecting prior and possibly present ownership.

## UNDISCOVERED ENCUMBRANCES

When it comes to being a home owner, there can be a crowd. At the time of the purchase, you may have no idea that a third party holds a claim to all or part of your property— due to a former mortgage or lien, or non-financial claims, like restrictions or covenants limiting the use of your property.

## MISSING HEIRS

When a person dies, the ownership of their home may fall to their heirs, or those who are named in their will. However those heirs are sometimes missing or unknown at the time of the death. Other times, family members may challenge the will for their own rights. These instances—which might happen long after you have purchased the property— may affect your title to the property.

## UNKNOWN EASEMENTS

You may own your new home and its surrounding land, but an unknown easement may prevent you from using it as you would like, or could allow government agencies, businesses, or other parties access to all or parts of your property. Easements can definitely affect the right to enjoy your property.

## FORGERIES

Forged or fabricated documents that affect your property ownership are filed with public records, covering up the rightful ownership of the property. Once these forgeries come to light, your rights to your home may be in jeopardy.

## FALSE IMPERSONATION OF PREVIOUS OWNER

Similar names can make it feasible to falsely imitate a property owner. If you purchase a home that was once sold by a fake owner, you can risk losing your legal claim to the property.



# WHAT TO CHECK ON EVERY TITLE COMMITMENT



The title commitment indicates the type of title insurance offered by the title company. It also indicates the exclusions and exceptions from coverage under which the policy will be issued.

## VESTING

Make sure the owner's names on the title commitment are the correct names and that the property is the same as the property on the purchase contract.

## TAXES AND ASSESSMENTS

Look for an exemption or classification designation that would change the tax amount as a result of the sale.

## DEED OF TRUST

Make sure all paid off Deeds of Trust are reconvened. Upon proof of payment and/or an indemnity, the title company, under certain circumstances, may elect to insure around the encumbrance.

## IDENTITY MATTERS

A "Statement of Information" can clear up identity issues that may arise. If there are judgments and liens that belong to the party in question and have been paid then a release or satisfaction must be obtained and recorded or filed to eliminate the matter.

## PENDING ACTIONS

A civil action affecting real property generally will have to be dismissed before title can insure. A divorce or probate doesn't have to be finalized but special requirements may exist. Check with your Title Representative or Title Officer for more information.

## JOINT USE MATTERS

Driveways, roads, party walls, and easements may prompt lenders to require a joint maintenance agreement. The title commitment will show such agreements if one is of record.

## EXTENDED COVERAGE MATTERS

If a physical inspection of the subject property discloses encroachments, lien rights, or other matters, these must be addressed before the lender will close. An extended coverage owners policy may be requested and a survey of the property will be required.

## LEGAL DESCRIPTION

The legal description should always be compared to the legal description in the purchase and sale agreement to be sure that all the property being conveyed has been included in the title commitment.





# HOW YOU TAKE TITLE

## Advantages and Limitations

Title to real property in Nevada may be held by individuals, either Sole Ownership or in Co-Ownership. Co-Ownership of real property occurs when title is held by two or more persons. There are several variations as to how title may be held in each type of ownership. The following brief summaries reference eight of the more common examples of Sole Ownership and Co-Ownership.

### SOLE OWNERSHIP

1

#### A Single Man/Woman

A man or woman who is not legally married.  
*Example:* John Doe, a single man.

2

#### An Unmarried Man/Woman

A man or woman, who having been married is legally divorced. *Example:* Joe Doe, an unmarried man.

3

#### A Married Man/Woman, As His/Her Sole and Seperate Property

When a married man or woman wishes to acquire title in his or her name alone, the spouse must consent, by quitclaim deed or otherwise, to transfer thereby relinquishing all right, title and interest in the property.  
*Example:* John Doe, a married man, as his sole and seperate property.

### CO-OWNERSHIP

4

#### Community Property

Nevada defines community property acquired by husband and wife, or by either. Real Property conveyed to a married man or woman is presumed to be community property, unless otherwise stated. Under community property, both spouses have the right to dispose of one half of the community property. If a spouse does not exercise his/her right to dispose of one-half, that half is subject to administration in the estate.

*Example:* John Doe & Mary Doe, husband and wife.  
*Example:* John Doe, a married man.

5

#### Joint Tenancy

A joint tenancy estate is defined as follows, "A joint interest is one owned by two or more persons in equal shares, by a title created by a single will or transfer, when expressly declared in the will or transfer to be a joint tenancy." A key characteristic of joint tenancy property is the right of survivorship. When a joint tenant dies, title to the property immediately vests in the surviving joint tenant(s). As a consequence, joint tenancy property is not subject to disposition by will.  
*Example:* John Doe and Mary Doe, husband and wife, as joint tenants.

6

#### Tenancy in Common

Under tenancy in common, the co-owners own undivided interests; but unlike joint tenancy, these interests need not to be equal in quantity or duration, and may arise at different times. There is no right of survivorship; each tenant owns an interest which, on his or her death, vests in his or her heirs or devisees.  
*Example:* John Doe, a single man, as to an undivided 3/4ths interest, and George Smith, a single man, as to an undivided 1/4th interest, as tenants in common.

7

#### Trust

Title to real property may be held in a title holding trust. The trust holds legal and equitable title to the real estate. The trustee holds title for the trust /beneficiary who retains all of the management rights and responsibilities.

8

#### Community Property with Right of Survivorship

Community Property of a husband and wife, when expressly declared in the transfer document to be community property with the right of survivorship, and which may be accepted in writing on the face of the document by a statement signed or initialed by the grantees, shall, upon the death of one of the spouses, pass to the survivor, without administration, subject to the same procedures as property held in joint tenancy.

**The summaries mentioned are a few of the more common ways to take title to real property in Nevada and are provided for informational purposes only. For a more comprehensive understanding of the legal and tax consequences, appropriate consultation is recommended. There are significant tax and legal consequences on how you hold title. We strongly suggest contacting an attorney and/or CPA for specific advise on how you should actually vest your title.**





# COMMON WAYS TO HOLD TITLE IN NEVADA

	<b>TENANCY IN COMMON</b>	<b>JOINT TENANCY WITH RIGHT OF SURVIVORSHIP</b>	<b>COMMUNITY PROPERTY</b>	<b>COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP</b>
<b>PARTIES</b>	Any number of persons. Can be Husband and Wife	Any number of persons. Can be Husband and Wife	Husband and Wife, only.	Husband and Wife, only.
<b>DIVISION</b>	Ownership can be divided into any number of interests. Does not have to be equal.	Ownership interests must be equal.	Ownership interests must be equal.	Ownership interests must be equal.
<b>TITLE</b>	Each owner has a separate legal title to his undivided interest.	There is only one title to the whole property.	Title is in the "Community". Each interest is separate but manages unified.	Title is in the "Community". Each interest is separate but manages unified.
<b>POSSESSION</b>	Equal rights of possession.	Equal rights of possession.	Equal rights of possession.	Equal rights of possession.
<b>CONVEYANCE</b>	Each co-owner's interest may be conveyed separately by its owner.	Conveyance by one co-owner without the other breaks the joint tenancy. Must be recorded before death of any tenant.	Both co-owners must join on the conveyance of the real property. Separate interests cannot be conveyed.	Both co-owners must join on the conveyance of the real property. Separate interests cannot be conveyed.
<b>PURCHASER'S STATUS</b>	Purchaser will become a tenant in common with the other co-owners of the property.	Purchaser will become a tenant in common with the other co-owners of the property.	Purchaser can only acquire whole title of community. Cannot acquire part of it.	Purchaser can only acquire whole title of community. Cannot acquire part of it.
<b>DEATH</b>	On co-owner's death, the deceased's interest passes by will to the devisees of heir. No right of survivorship. Subject to court approval.	On co-owner's death, the deceased's interest ends and cannot be disposed of by will. Survivor owns the property by right of survivorship.	On co-owner's death, one half belongs to the survivor in severalty. One half goes by will to descendant's devisees or by succession to survivor.	On co-owner's death, the deceased's interest ends and cannot be disposed of by will. Estate passes to survivor outside of probate.
<b>CREDITOR'S RIGHTS</b>	Co-owner's interest may be sold at execution sale to satisfy creditor. Creditor becomes tenant in common.	Co-owner's interest may be sold at execution sale to satisfy creditor. Joint tenancy is broken; creditor is then tenant in common.	Co-owner's interest cannot be seized and sold separately. The entire property may be sold at execution sale to satisfy creditors.	Co-owner's interest cannot be seized and sold separately. The entire property may be sold at execution sale to satisfy creditors.



# USEFUL TIPS & INFORMATION





# KEY PROFESSIONALS IN A REAL ESTATE TRANSACTION



Knowledgeable, customer-focused professionals are available to answer your title and settlement questions. Throughout the home buying process, you may also encounter the following industry specialists who are able to professionally answer questions in their area of expertise.

## **REAL ESTATE AGENT**

A real estate agent is licensed by the state of Nevada to represent parties in the transfer of properties.

## **LISTING AGENT**

An important role of the listing agent is to form a legal relationship with the homeowner to sell the property and place the property into the local Multiple Listing Service (MLS)

## **BUYER'S AGENT**

This agent works with the buyer to find a suitable property and negotiate a successful home purchase.

## **HOME INSPECTOR**

Objectively and independently provides a comprehensive analysis of a home's major systems and components.

## **LOAN OFFICER**

Bank or other financial company representative who helps buyers identify their borrowing options and to understand the terms of their loan.

## **APPRAISER**

Works on behalf of a lender and provides a market analysis of the property. An appraiser's finding is subjective and combined with market findings of sold properties within the surrounding areas.

## **INSURANCE AGENT**

Helps the home buyer to determine the homeowner's protection coverage needed and then finds the right insurance policy to fit those needs.

## **REAL ESTATE ATTORNEY**

They can give advice on all legal aspects of a real estate transaction. They are able to draft and review contracts, help decide how to take title and to assist with the closing process.

## **ESCROW/CLOSING OFFICER**

A non-biased third party who works with all participants to facilitate a successful closing of a real estate transaction. At closing, the closing officer will collect the purchase money funds from the buyer and lender as well as the settlement costs from each party. They disburse the funds in accordance with the closing documents and record the necessary documents to transfer ownership of the property.

## **CLOSING/SETTLEMENT/TITLE AGENT**

Performs property title search to ensure a clear title so a title insurance policy can be issued.



# MOVING CHECKLIST

## NOTIFY OF ADDRESS CHANGE

- Post Office
- Bank
- Credit Card Companies
- Insurance Companies-Medical, Auto
- Automobile-Registration, Drivers License
- Utility Companies
  - Arrange for any refunds of deposits
  - Arrange for service in new location
- Home delivery subscriptions
- School(s)
- Doctor(s)
- Pharmacy-Transfer prescriptions
- Church, clubs, civic organizations

## DON'T FORGET TO

- Empty Freezers-Plan use of foods
- Have appliances serviced for moving
  - Stay in contact with mover and confirm: insurance coverage, packing/unpacking labor, time/date of move, details of payment

## MOVING DAY

- Carry currency, jewelry, and important docs
- Let a friend or relative know route, scheduled stops
- Double check closets, attic, etc.
- Leave any keys needed by new owner



# TIPS FOR MOVING WITH PETS

Moving to a home in a new location can be an exciting adventure, but it can also be the cause of stress and confusion for your household pets. To minimize the trauma, here are a few tips that may help make your pet's transition a little easier.

## SCHEDULE A VET CHECK-UP

Obtain a copy of your pet's medical history along with its rabies certifications that state when/where your pet was vaccinated. Keep an ample supply of current medications to last until a veterinarian in your new location can provide refills.

## PROPER IDENTIFICATION IS ESSENTIAL

Be certain that any required license tags are secured properly and the contact information is current.

## CONSIDER BOARDING

Consider boarding your pet during the most hectic of moving days. Pets can become anxious with the increase of activity prior to moving.

## GATHER CAR SUPPLIES

Kennel or safely restraint, favorite toy or two, a leash for when stops are made, and plenty of water to keep your pet hydrated.

## KNOW STATE REQUIREMENTS

Make sure you know the state requirements for the movement of pets across state lines. Contact the State Veterinarian in your new location to obtain the most current information.

## PET-FRIENDLY ACCOMMODATIONS

Long distance moves may require an overnight stay. People and pet-friendly accommodations can be found by searching a number of sites on the internet.

## ALLOW TIME TO ACCLIMATE

Once you have arrived in your new location, allow sufficient time for your pet to adjust to the new neighborhood; it could take a few days or a few weeks.

## CARRY A CURRENT PHOTOGRAPH

If your pet is lost during the move, a photo will make it much easier to search effectively.



# FIRST CENTENNIAL TITLE



<b>FIRST TIME HOMEBUYER</b>	50% off Escrow Fee
<b>MILITARY</b>	25% off Escrow Fee *Valid Military I.D. Required*
<b>ACTIVE TEACHERS</b>	25% off Escrow Fee *Valid Teacher I.D. Required*
<b>SENIOR CITIZEN (Buyer or Seller)</b>	25% off Escrow Fee *Age 55+* Must be Primary Residence
<b>NON-PROFIT ORGANIZATION</b>	50% off Title Fee
<b>RESIDENTIAL REFINANCE/ REVAMP BUNDLED ESCROW FEE</b>	50% off Title Fee (min. \$350.00) \$325.00 Escrow Fee (excludes doc prep, signing service fees, legal fees, recording fees)
<b>CONCURRENT ESCROW</b>	20% off Escrow Fee, with second transaction (buy or sell) brought to FCT within a 6 month period.
<b>BINDER RATE</b>	The policy is beneficial to a buyer who will be selling the property within two years. Please ask your Escrow Officer about the cost and benefits of this policy.

\*Only one discount rate per sales transaction\*  
\*All discount requests must be made when opening Escrow\*

**RENO MAIN**  
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Reno, NV 89519  
Phone:775.689.8510

**SPARKS**  
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Sparks, NV 89436  
Phone:775.689.8551

**PLAZA**  
3700 Lakeside Dr. #110  
Reno, NV 89509  
Phone:775.689.1810

**DAMONTE RANCH**  
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**GARDNERVILLE / MINDEN**  
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Gardnerville, NV 89410  
Phone: 775.737.5110



[www.FirstCentennial.com](http://www.FirstCentennial.com)

# CFPB INFORMATION

**The Consumer Financial Protection Bureau, is a U.S. government agency** dedicated to making sure you are treated fairly by banks, lenders and other financial institutions.



Help with finances during the COVID-19 pandemic



Talk with an expert about your housing needs for free



Submit a complaint about a financial product or service

Consumer Finance Protection Bureau  
[www.consumerfinance.gov](http://www.consumerfinance.gov)

