

The Buying Process

Prior to showing homes to you, I ask that you meet with me; together we will answer the following questions:

- What kind of house are you looking for? (single story, 2-story, condo, townhouse)
- What is your price range? Have you met with a lender to determine affordability?
- Have you made a list of home features that are important to you? (checklist, needs vs. wants)
- What is your time frame? Are you ready to move now?
- Do you have to sell another home?



Starting The Process

1. Determining price range is one of the most important steps in the buying process. It involves meeting with a loan officer to get pre-approval for a specific purchase price.

Within 24 hours of application, your loan officer will prepare a Good Faith Estimate, which shows the fees associated with your loan. Upon receiving the estimate, you will know the approximate purchase price you can afford.

When you find the right home, you want to have a strong negotiating position. A seller will be more

likely to accept our offer if you have a mortgage lender's written pre-approval for a specific loan amount. In other words, the seller knows that you can afford to buy the house.

2. Negotiating your Offer To Purchase requires my expertise in knowing the Las Vegas real estate market both new and resale homes. I will combine your Ideal Home Checklist with the approval amount from the lender. Then, I will show you the homes that fit all criteria. Once you've chosen a home, I will negotiate the best possible offer for you. Aside from price, negotiable items are:

- Home Warranty (protects mechanical systems, built-in appliances & air conditioning for 1 year. Optional coverage available for pool, spa, washer, dryer, refrigerator, septic)
- Special Assessments and LID or SID
- Homeowner's Association Fees, Transfer Fees.
- Inspection Fees (i.e. pest/termite, structural, mechanical, well & septic, water, survey and environmental hazards)
- Closing Date and Physical Possession
- Title and Escrow Company
- Personal Property and Fixtures — Items that will stay with the home.
- Due Diligence Time Frames
- Seller Concessions
- Repairs and/or Allowances
- Amount of Earnest Money Deposit

continued...

3. Once we have an accepted offer, we will review the Seller's Real Property Disclosure Form and any other seller disclosures. Other disclosures may include:

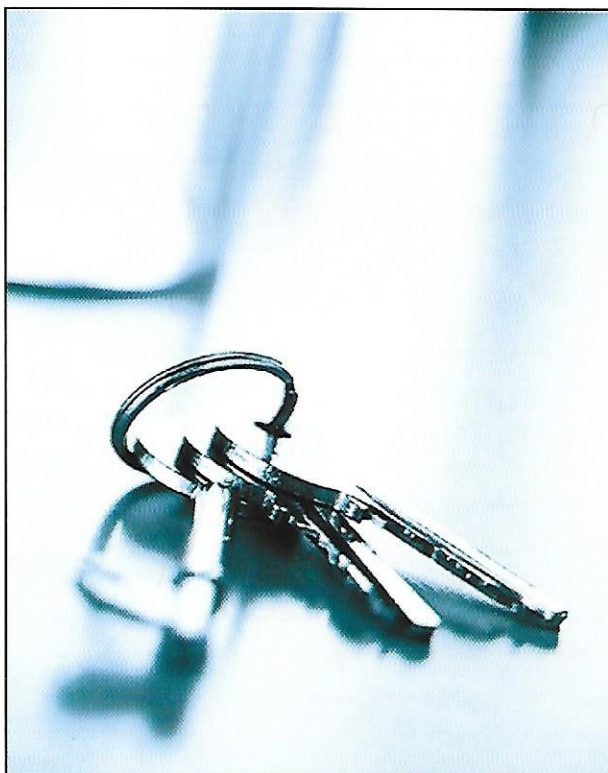
- Environmental hazards i.e. asbestos, mold, lead-based paint
- Methamphetamine lab
- Assessments
- Rental property - need security deposits, lease agreements and associated documents.
- Sale subject to court approval - i.e. probate, bankruptcy - need all associated documents.
- Zoning or master plan provisions or changes of which seller is aware, that may affect property or its use.
- Hazard insurance claims - Clue report
- Construction defects litigation or settlement.

4. Next, I will open escrow for you with a fully executed Offer To Purchase and earnest money. Typically, the closing process takes 30-45 days.

5. Prior to the closing date, we will accomplish the following:

- Get Homeowner's Insurance in place and review Moving Tips
- Review inspection results and corrections
- Review escrow instructions and preliminary title report, follow up with lender in regard to loan approval and appraisal amount.

6. Schedule Walk-Through inspection, review closing statement, schedule signing appointment at Ticor Title, get certified check for closing, bring photo ID *Please note: keys and possession not transferred at escrow signing. The property becomes yours when the documents are recorded at the County Recorder's Office. Ticor Title will notify me when your transaction has recorded. I will contact you and make arrangements to give you the keys to your new home.



What is Escrow?

When opening Escrow, as a buyer or seller, you want to be sure that all the terms and conditions of the sale have been met before the transfer of ownership of that property. Escrow is a written agreement of these terms and conditions held by a neutral third party known as the Escrow Holder. The Escrow Officer has the responsibility to impartially carry out the written instructions given by the principals making sure that all conditions are met by both parties. In other words, the Escrow Officer makes sure that the interest of all parties to the transaction are protected.

To do this, the Escrow Officer takes instructions from the terms of the purchase agreement and the lender's requirements. This includes receiving funds and documents necessary to comply with the agreement, completing and obtaining required forms and handling final delivery to the proper parties upon completion of the escrow. Necessary information to complete the transaction must be provided to the Escrow Officer. These elements include loan documents, tax statements, fire and hazard insurance, terms of sale and any seller-assisted financing along with requests for various services that may be paid from the escrow funds.

It is the buyer's responsibility to make necessary arrangements if financing is needed. Proof of the loan agreement must be in the hands of the Escrow Officer before the transfer of property can take place. When all instructions in the escrow have been completed, the closing can take place. At that time, all outstanding funds are collected and any fees such as title insurance, recording fees, real estate commissions, loan payoffs, etc., are disbursed. Title to the property is then transferred under the terms and conditions of the escrow instructions and appropriate title insurance is issued.

What is Title Insurance?

Title insurance insures the owner against any losses due to defects in title, or expenses in legal defense of the title, up to the amount or liability of the actual insurance policy. The title policy is usually in the amount of the purchase price. Generally, Title insurance provides coverage only for title problems which were already in existence at the time the policy was issued. An exception to this is to purchase optional additional coverage which costs 10% of the basic title insurance rate. This additional insurance covers post closing cost matters.

Why Buy Title Insurance?

When buying a home, unlike when buying a car or other consumer goods, it is necessary to have information on the former owner – such as marital status, whether there are outstanding taxes, or if they are involved in a lawsuit, and more. While the former owner may own the property, others may also have rights in the same property.

A title search can uncover items such as unpaid taxes, easements, laws and court decisions pertaining to the property, recorded liens or encumbrances and any other matters of record which could affect the title to the property. Often all items affecting the title are not contained in a single book, office or even the same city. Add to this, the possibility of human error at many points. What is not in the public records often causes title problems. For these reasons, a property owner needs the protection title insurance can provide.

ALTA Residential Policy

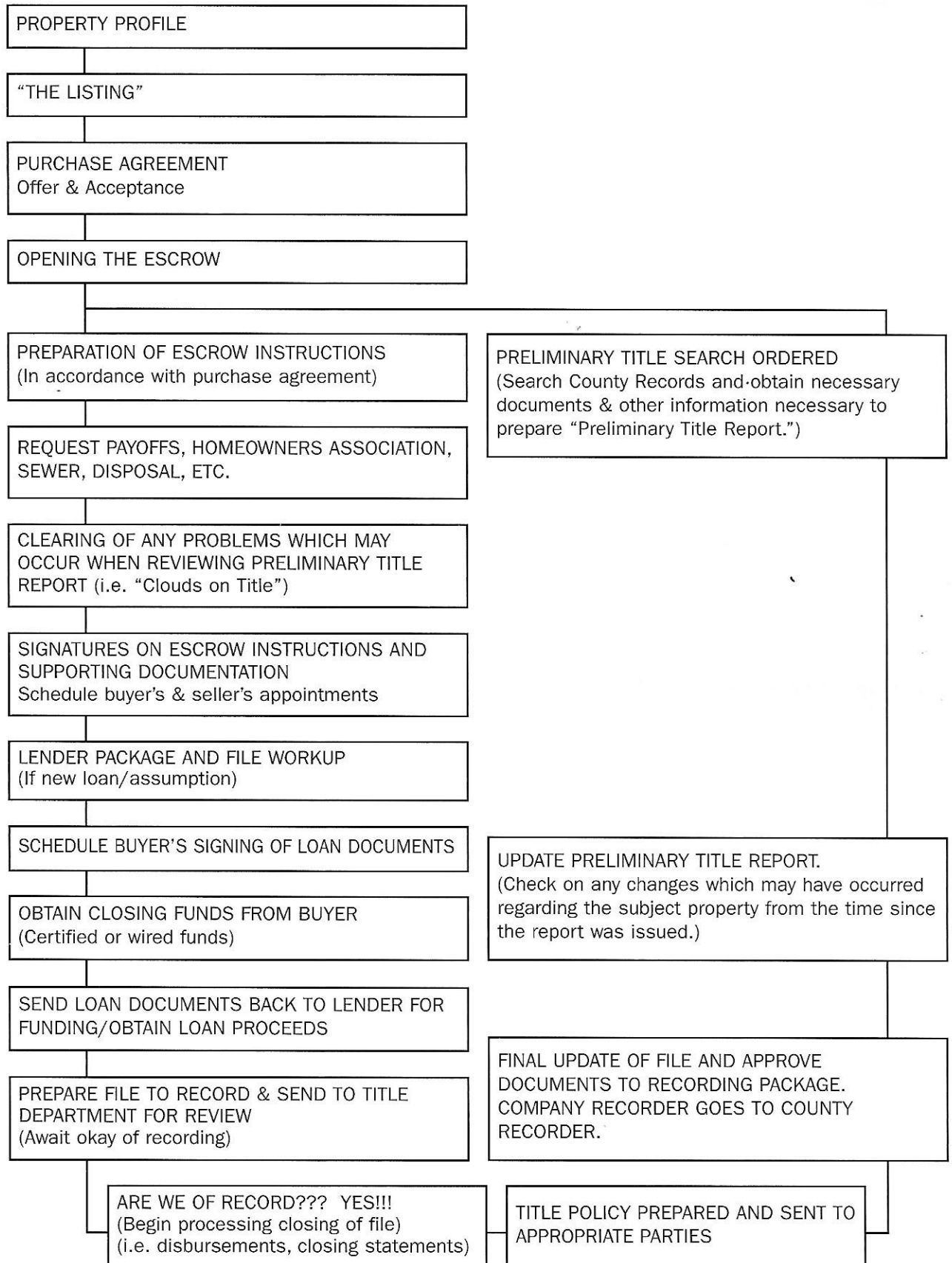
We are proud to offer the most extensive owner's title insurance coverage in the industry at no additional cost. Our ALTA-R Residential Policy insures the owner against the following additional title risks:

- **Legal right access to and from the land.**
- **Mechanics liens not recorded.**
- **Structural encroachments (except boundary walls or fences).**
- **Protection against zoning violations.**

On all one-to-four family residential transactions, this policy is issued automatically. It is not necessary for you to specifically request it, and there is no additional charge. Ticor Title is proud to automatically issue this policy. We hope you will take advantage of this by having your next transaction insured by Ticor Title.

What is Escrow?

Flow of an Escrow



As A Buyer...

You will be asked how you want to take title or “vest” the title to your property. The following information is provided to assist you in understanding your options.

COMMON WAYS OF HOLDING TITLE TO REAL PROPERTY

	Tenancy In Common	Joint Tenancy	Community Property	Community Property with Rights of Survivorship
Parties	Any number of persons. (Can be husband & wife.)	Any number of persons. (Can be husband & wife.)	Only husband and wife.	Only husband and wife. (2 persons per marital community.)
Division	Ownership can be divided into any number of interests, equal or unequal.	Ownership interests must be equal.	Ownership interests are equal.	Ownership interests are equal.
Title	Each co-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 management is unified.	Title is in the “community.” Each interest is separate but management is unified.
Possession	Equal right of possession.	Equal right of possession.	Equal right of possession.	Equal right of possession.
Conveyance	Each co-owner’s interest may be conveyed separately by it’s owner.	Conveyance by one co-owner without the other breaks the joint tenancy, provided it is recorded prior to death.	Both co-owners must join on conveyance of real property. Separate interests cannot be conveyed.	Both co-owners must join on conveyance of real property. Separate interests cannot be conveyed.
Purchaser’s Status	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 can only acquire whole title of community, but cannot acquire a part of it.	Purchaser can only acquire whole title of community, but cannot acquire a part of it.
Death	On co-owner’s death, his interest passes by will to his devisees or heirs. No right of survivorship. Subject to court approval.	On co-owner’s death, his interest ends and cannot be disposed of by will. Survivor owns the property by rights of survivorship.	On co-owner’s death, (belongs to survivor in severalty), goes by will to decedent’s devisees or by succession to survivor.	On co-owner’s death, his interest ends and cannot be disposed of by will. Estate passes to survivors outside of probate.
Creditor’s Rights	Co-owner’s interest may be sold at execution sale to satisfy his creditor. Creditor becomes a tenant in common.	Co-owner’s interest may be sold at execution sale to satisfy his creditor. Joint tenancy is broken, creditor becomes tenant in common.	Co-owner’s interest cannot be seized and sold separately. The whole property may be sold at execution sale to satisfy creditor.	Co-owner’s interest cannot be seized and sold separately. The whole property may be sold at execution sale to satisfy creditor.

Note:

This document is intended for reference only. Clients are advised to consult with an attorney or CPA for any specific transactions.

Your Appointment

Below is a list of items you will need before your appointment to sign your closing documents.

Cashier's Check

Get a **cashier's check** or **certified check** issued by a Nevada financial institution made payable to Ticor Title in the amount indicated to you by your Ticor Title escrow officer.

Identification

There are several acceptable forms of identification which may be used during the escrow process. These include:

- A current driver's license
- A State Issued ID
- A Passport
- A Green Card

Some lenders may require a copy of your Social Security card at the time of closing.

Lender's Requirements

Make sure you have satisfied your lender's requirements before coming to Ticor Title to sign your documents.

Fire & Hazard Insurance

When you are buying a single family, detached home (and in some cases, a townhome), be sure to order your insurance before the loan has been approved. You must have the insurance in place before the lender sends the money to Ticor Title.

After Completing The Signing

After you have signed all the necessary instructions and documents, the escrow officer will return them to the lender for final review. Following the review, which usually occurs within a day or two, the lender is ready to fund the loan and advises the escrow officer, so that the necessary work can be completed to record the documents and "close" the escrow.

An Escrow Closing Is...

A legal transfer of title to the property from the seller to the buyer and is the culmination of the transaction. Once the Grant Deed and the Deed of Trust are recorded, this completes the transaction and signifies the "close of escrow." When the escrow office receives confirmation of funding, funds are disbursed.

What Closing Costs Are All About

Closing costs or settlement costs are an accumulation of separate charges paid to different entities for the professional services associated with the buying and selling of real estate.

Some of the items associated with closing costs are:

- **Title Insurance Premium** - Fee paid by an individual to ensure he has a marketable title or (in case of a lender) to ensure its lien position.
- **Real Estate Commission** - Fee paid to a real estate company for services rendered in listing, showing, selling and consummating the transfer of property.
- **Transfer and Assumption Charges** - Fees charged by a lender to allow a new purchaser to assume an existing loan.
- **Recording Fees** - Fees assessed by a county recorder's office for recording the documents of a real estate transaction.
- **Loan Fees** - Fees charged by a lender in connection with the processing of a new loan. These may include points, origination fee and credit report.
- **Escrow Fees** - Fees charged by a title and/or escrow company for services rendered in preparing documents necessary in the consummation of a real estate transaction.
- **Additional Settlement** - Taxes, insurance, impounds, and interest proration, and termite inspection fees.

A Titor Title of Nevada Escrow Officer will be happy to review the above and other closing costs with you and explain them before you finalize your transaction and take ownership of your property.

Definitions of Closing Costs

Below is an overview of the types of closing costs you may incur on your loan. Some are one-time fees, while others recur over the life of the loan. When you apply for your loan, you will receive a Good Faith Estimate of Settlement Charges and a booklet that will explain the costs in detail.

- **Loan Origination Fee** - This fee covers the lender's administrative costs in processing the loan. A one-time fee often expressed as a percentage of the loan.
- **Appraisal Fee** - This is a one-time fee that pays for an appraisal - a statement of property value - for the lender. The appraisal is made by an independent fee appraiser.
- **Credit Report Fee** - This one-time fee covers the cost of the credit report that is run by an independent credit reporting agency.
- **Title Insurance Fees** - There are two title policies, a lender's policy (which protects the lender against loss due to defects in the title) and a buyer's title policy (which protects you). These are both one-time fees.
- **Escrow Fee** - Fee charged by the title company to handle funds and documents of buyers and sellers.
- **Document Preparation Fee** - There may be a separate, one-time fee that covers the preparation of the final legal papers, including the note and deed of trust.
- **Prepaid Interest** - Depending on the time of month your loan closes, this charge may vary from a full month's interest to just a few days. If your loan closes at the beginning of the month, you will probably have to pay the maximum amount. If your loan closes at the end of the month, you will only have to pay a few days' interest.
- **PMI Premium** - Depending on the amount of your downpayment, you may be required to pay an upfront fee for mortgage insurance (which protects the lender against loss due to foreclosure). You may also be required to put a certain amount for PMI into a special reserve account (an impound account) held by the lender.
- **Taxes and Hazard Insurance** - Depending on the month you close, you may be required to reimburse the seller for property taxes. You will also need to pay for an entire year's (or more) hazard insurance premium upfront. In addition, you may also be required to put a certain amount for taxes and impounds into a special reserve (impound) account held by the lender.
- **Recording Fees** - Fee paid to county to record documents.
- **Inspection Fees** - Fees charged for various inspections of said property.
- **Home Warranty Plan** - Optional Warranty Package that pays for repair/replacement of home's major systems and appliances.

Closing Costs