FOREIGN
BUYER’S GUIDE
to Purchasing Real Estate in Nevada
What is “title?”
As it relates to real estate, “title” refers to the ownership rights to a certain piece of property.

What is title insurance?
Title insurance is an insurance policy that protects property owners and their lenders against losses related to the property’s title or ownership. Title insurance minimizes the risk of acquiring property whose legal history is unknown to the purchaser.

Title insurance is issued for a one-time fee, called a premium, usually due at the time of closing or settling a real estate transaction, and is based on the price of the property. Title insurance coverage lasts as long as the insured or their heirs hold title to the property.

What are the different types of title insurance?
There are two types of title insurance:

» An owner’s title insurance policy guarantees that the buyer has the right to the property. It usually covers the cost of any legal fees that may arise when defending a claim, up to the amount of the policy.

» A lender’s title insurance policy protects a bank or other lending institution issuing a mortgage from losses resulting from disputes over property ownership. This policy covers the amount of the loan, and the premium is calculated based on that amount. Most lenders require this coverage. Unlike an owner’s policy, this coverage ends when the mortgage is paid.

Examples of the many risks against which title insurance can protect a buyer are:
- Forged documents
- Fraud
- Confusion from similarity of names
- Liens existing against the property at the time the policy was issued
- Clerical errors in public records
- Inaccurate or conflicting wills and trusts related to the title
- Missing heirs claiming to own the property
EXPLANATION OF THE 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 real estate agent such as the legal description of the property, sales price, loan amount, lender, and the 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, homeowner’s 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.

Additional Items
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 may 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 of the reasons that you are asked to fill out an Identity Statement; to determine if items may be inaccurate and can be deleted.
THE IMPORTANCE OF TITLE INSURANCE

An Owner’s Title Insurance Policy is your best protection against potential defects that can remain hidden despite the most thorough search of public records. A Lender’s Title Insurance Policy also exists to protect your lender’s interest.

You don’t want a problem that occurred long before you bought your property to deprive you of your right to own or sell the property.

And you don’t want to pay the potentially high cost of defending your property rights in court.

For a one-time premium, First American Title agrees to reimburse you for covered losses suffered due to undetected defects that existed prior to the issue date of your First American Title policy, up to the amount of the policy.

Unless specifically excluded, your First American Title Insurance Policy also provides for legal defense costs.

Your First American Title Insurance Policy protects you against potential defects such as:

1. Forged deeds, mortgages, satisfactions, or releases
2. Deed by person who is mentally incompetent
3. Deed by person in a foreign country, vulnerable to challenge as incompetent, unauthorized, or defective under foreign laws
4. Deed challenged as being given under fraud, undue influence or duress
5. Deed signed by mistake (grantor did not know what was signed)
6. Deed executed under falsified power of attorney
7. Undisclosed divorce of one who conveys as sole heir of a deceased former spouse
8. Deed affecting property of deceased person, not joining all heirs
9. Deed recorded but not properly indexed so as to be locatable in the land records
10. Undisclosed but recorded federal or state tax lien
11. Undisclosed but recorded judgment or spousal/child support lien
12. Undisclosed but recorded prior mortgage
13. Undisclosed but recorded boundary, party wall, or setback agreements
14. Misinterpretation of wills, deeds, and other instruments
15. Discovery of later will after probate of first will
16. Erroneous or inadequate legal descriptions
17. Deed to land without a right of access to a public street or road
18. Forged notarization or witness acknowledgment
19. Deed not properly recorded (wrong county, missing pages or other contents, or without required payment)
20. Deed to a purchaser from one who has previously sold or leased the same land to a third party under an unrecorded contract, where the third party is in possession of the premises
An escrow is an independent, neutral intermediary that manages the exchange of money for real property.

Whether you are the buyer, seller, lender, or borrower, you want the comfort of knowing that no funds or property will change hands until all of the instructions in the transaction have been followed and conditions met. The escrow holder, while maintaining the privacy of the consumer, must safeguard the funds and documents while they are in the possession of the escrow holder. When all conditions of the escrow transaction have been met and the parties agree, the escrow holder will disburse funds and record the documents conveying the title.

Escrow: How does it work?
Once the parties to the transaction (buyer/seller/lender and/or borrower) have reached an agreement, the signed contract or purchase agreement, along with the buyer’s earnest money deposit, is submitted to the escrow holder. At that point, an escrow is opened. The escrow holder will now follow the mutual written instructions of the buyer and seller, maintaining a neutral stance to facilitate the successful exchange of money and property between the parties. The escrow holder will also follow the instructions of the lender in meeting their conditions.

The duties of an escrow holder include, but are not limited to:
- The processing and coordination of the flow of documents and funds
- Ordering the title search which will indicate the record of ownership and status of the subject property
- Responding to lender’s requirements
- Responding to authorized requests from parties to the transaction
- Coordinating with the lender on the preparation of the Closing Disclosure
- Preparation of a settlement statement that shows the costs and charges associated with the transaction
- Facilitation of the signing of loan documents
- Closing of the escrow, only when all conditions are met and funds are in place in accordance with instructions
WHAT HAPPENS DURING ESCROW?

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, which indicates a clear title or lists any items which must be cleared prior to closing. The commitment is sent to you for review.

Consider This

One escrow transaction could involve over twenty individuals including real estate agents, buyers, sellers, attorneys, escrow officer, escrow assistant, appraiser, 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 on the successful close of another sale.

When you consider the number of people involved, you can imagine the opportunities for challenges, miscommunications and delays.

Your transaction may include the following steps:

- **Open** escrow and deliver earnest money deposit to be held 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.
- If applicable, **request** payoff information for the seller’s loans, other liens, homeowners association fees, etc.
- **Prorate fees**, if applicable
- **Prepare** the settlement statement.
- **Coordinate** with the lender for the preparation of the Closing Disclosure.
- **Set** separate appointments for buyer and seller in order to sign documents and deposit funds (if applicable).
- **Review** documents to confirm that all conditions 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, real estate agent’s commission, related fees for recording, etc.
- **Prepare** and send final documents and accounting to parties involved.
Identity Statement
You may 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.

Home Loan
Unless you are paying cash, assuming a loan, or the seller is financing, you will need to apply for a home loan if you have not already done so. Apply as soon as possible to comply with the purchase contract and to avoid delaying the closing.

Response To Seller’s Notices
If directed by the contract, you may receive the following items, among others, which require a response from you.

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 those for termites, septic tank, etc.

Good Funds
Foreign Checks: First American Title does not accept foreign checks into escrow. This includes foreign checks paid through a United States bank. All money coming from outside the United States must be sent via wire transfer.

Third Party Checks: First American Title does not accept any third party checks. These include any check drawn on a non-financial institution account or payable to a payee other than First American Title and subsequently endorsed to First American Title.

All funds deposited in escrow should be in the form of wires or cashier’s checks. Any funds deposited to close escrow should be in the form of a wire to prevent any delays in closing. Cash is not acceptable for safety and security reasons. Funds wired from foreign banks may take several days to complete the transfer.
WAYS TO **TAKE TITLE IN NEVADA**

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.) You may wish to consult an attorney, accountant or other professional before deciding how to hold title.

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

**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.
Does the buyer have definite plans to use the property as his residence*?

NO

Buyer is required by law to withhold 15%.

YES

What is the sales price?

More than $1 Million

Buyer is required by law to withhold 15%.

More than $300,000 but not more than $1 Million

Buyer is required by law to withhold 10%.

$300,000 or less

Complete buyer’s declaration for $300,000 residence exemption form.

NOTE: If the seller believes she may be eligible for an IRS Withholding Certificate, she should contact a CPA or tax attorney regarding application form 8288-B in order to obtain a determination from the IRS whether a lesser amount is due.

*The buyer or a member of their family must have definite plans to reside at the property for at least 50% of the number of days the property is used by any person during each of the first two 12-month periods following the date of transfer. When counting the number of days the property is used, do not count the days the property will be vacant.

The information contained herein is for general information only and should not be relied upon for tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.
Application for IRS Individual Taxpayer Identification Number

An IRS individual taxpayer identification number (ITIN) is for federal tax purposes only.

Before you begin:
- Do not submit this form if you have, or are eligible to get, a U.S. social security number (SSN).
- Getting an ITIN does not change your immigration status or your right to work in the United States and does not make you eligible for the earned income credit.

Reason you are submitting Form W-7. Read the instructions for the box you check. Caution: If you check box b, c, d, e, f, or g, you must file a tax return with Form W-7 unless you meet one of the exceptions (see instructions).

A Nonresident alien required to get ITIN to claim tax treaty benefit
b Nonresident alien filing a U.S. tax return
c U.S. resident alien (based on days present in the United States) filing a U.S. tax return
d Dependent of U.S. citizen/resident alien Enter name and SSN/ITIN of U.S. citizen/resident alien (see instructions)
e Spouse of U.S. citizen/resident alien
f Nonresident alien student, professor, or researcher filing a U.S. tax return or claiming an exception
g Dependent/spouse of a nonresident alien holding a U.S. visa
h Other (see instructions)

Additional information for a and f: Enter treaty country and treaty article number

Name (see instructions)

Name at birth if different . . .

Applicant’s mailing address

Street address, apartment number, or rural route number. If you have a P.O. box, see separate instructions.

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Foreign (non-U.S.) address (if different from above) (see instructions)

Street address, apartment number, or rural route number. Do not use a P.O. box number.

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Birth information

Date of birth (month / day / year) Country of birth City and state or province (optional)

5 Male
Female

Other information

Identification document(s) submitted (see instructions) Passport Driver’s license/State I.D.

Issued by: No.: Exp. date: / /

Date of entry into the United States (MM/DD/YYYY) / /

Have you previously received an Internal Revenue Service Number (IRSN) or employer identification number (EIN)?

No/Do not know. Skip line 6f.
Yes. Complete line 6f. If more than one, list on a sheet and attach to this form (see instructions).

Enter: IRSN or EIN and Name under which it was issued

Name of college/university or company (see instructions)

City and state Length of stay

Sign Here

Under penalties of perjury, I (applicant/delegate/acceptance agent) declare that I have examined this application, including accompanying documentation and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I authorize the IRS to disclose to my acceptance agent returns or return information necessary to resolve matters regarding the assignment of my IRS individual taxpayer identification number (ITIN), including any previously assigned taxpayer identifying number.

Signature of applicant (if delegate, see instructions) Date (month / day / year) Phone number

Name of delegate, if applicable (type or print) Delegate’s relationship to applicant

Parent Court-appointed guardian Power of Attorney

Acceptance Agent’s Use ONLY

Signature Date (month / day / year) Phone

Fax

Name and title (type or print) Name of company EIN PTIN

Office Code

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 10229L Form W-7 (Rev. 8-2013)
### Form 8288-B
#### Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests

OMB No. 1545-1060

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of transferor (attach additional sheets if more than one transferor)</td>
</tr>
<tr>
<td></td>
<td>Identification number</td>
</tr>
<tr>
<td></td>
<td>Street address, apt. or suite no., or rural route. Do not use a P.O. box.</td>
</tr>
<tr>
<td></td>
<td>City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.</td>
</tr>
<tr>
<td>2</td>
<td>Name of transferee (attach additional sheets if more than one transferee)</td>
</tr>
<tr>
<td></td>
<td>Identification number</td>
</tr>
<tr>
<td></td>
<td>Street address, apt. or suite no., or rural route. Do not use a P.O. box.</td>
</tr>
<tr>
<td></td>
<td>City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.</td>
</tr>
<tr>
<td>3</td>
<td>Applicant is: Transferor ☐ Transferee ☐</td>
</tr>
<tr>
<td>4a</td>
<td>Name of withholding agent (see instructions)</td>
</tr>
<tr>
<td>b</td>
<td>Identification number</td>
</tr>
<tr>
<td>c</td>
<td>Name of estate, trust, or entity (if applicable)</td>
</tr>
<tr>
<td>d</td>
<td>Identification number</td>
</tr>
<tr>
<td>5</td>
<td>Address where you want withholding certificate sent (street address, apt. or suite no., P.O. box, or rural route number)</td>
</tr>
<tr>
<td></td>
<td>Phone number (optional)</td>
</tr>
<tr>
<td>6</td>
<td>Description of U.S. real property transaction:</td>
</tr>
<tr>
<td>a</td>
<td>Date of transfer (month, day, year) (see inst.)</td>
</tr>
<tr>
<td>b</td>
<td>Contract price $</td>
</tr>
<tr>
<td>c</td>
<td>Type of interest transferred: Real property ☐ Associated personal property ☐ Domestic U.S. real property holding corporation ☐</td>
</tr>
<tr>
<td>d</td>
<td>Use of property at time of sale: Rental or commercial ☐ Personal ☐ Other (attach explanation) ☐</td>
</tr>
<tr>
<td>e</td>
<td>Adjusted basis $</td>
</tr>
<tr>
<td>f</td>
<td>Location and general description of property (for a real property interest), description (for associated personal property), or the class or type and amount of the interest (for an interest in a U.S. real property holding corporation). See instructions.</td>
</tr>
<tr>
<td>7</td>
<td>Check the box to indicate the reason a withholding certificate should be issued. See the instructions for information that must be attached to Form 8288-B.</td>
</tr>
<tr>
<td>a</td>
<td>☐ The transferor is exempt from U.S. tax or nonrecognition treatment applies.</td>
</tr>
<tr>
<td>b</td>
<td>☐ The transferor’s maximum tax liability is less than the tax required to be withheld.</td>
</tr>
<tr>
<td>c</td>
<td>☐ The special installment sales rules described in section 7 of Rev. Proc. 2000-35 allow reduced withholding.</td>
</tr>
<tr>
<td>8</td>
<td>Does the transferor have any unsatisfied withholding liability under section 1445? ☐ Yes ☐ No</td>
</tr>
<tr>
<td></td>
<td>See the instructions for information required to be attached.</td>
</tr>
<tr>
<td>9</td>
<td>Is this application for a withholding certificate made under section 1445(e)? ☐ Yes ☐ No</td>
</tr>
<tr>
<td></td>
<td>If “Yes,” check the applicable box in a and the applicable box in b below.</td>
</tr>
<tr>
<td>a</td>
<td>Type of transaction: 1445(e)(1) ☐ 1445(e)(2) ☐ 1445(e)(3) ☐ 1445(e)(5) ☐ 1445(e)(6) ☐</td>
</tr>
<tr>
<td>b</td>
<td>Applicant is: Taxpayer ☐ Other person required to withhold. Specify your title (e.g., trustee) ☐</td>
</tr>
</tbody>
</table>

Under penalties of perjury, I declare that I have examined this application and accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

---

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Cat. No. 10128Z

Form 8288-B (Rev. 8-2013)