

First American Financial Corp
 Form 424B2
 January 24, 2013
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell the securities and is not soliciting an offer to buy the securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 24, 2013

Preliminary Prospectus Supplement

(To Prospectus dated January 24, 2013)

\$ % Senior Notes due 2023

We are offering \$ aggregate principal amount of % Senior Notes due 2023. The notes will mature on , 2023. Interest on the notes will accrue from , 2013 and be payable on and of each year, commencing on , 2013.

We will have the right at our option to redeem the notes, in whole or in part, at any time or from time to time, at the redemption price described in this prospectus supplement under Description of the notes Optional redemption.

The notes will be our general senior unsecured obligations and will rank equally in right of payment with our existing and future senior unsecured indebtedness.

The notes are a new issue of securities with no established trading market. We have not applied and do not intend to apply for listing of the notes on any securities exchange or for the inclusion of the notes on any automated dealer quotation system.

See Risk factors on page S-9 for a discussion of certain risks that should be considered in connection with an investment in the notes.

	Price to Public(1)	Underwriting Discount	Proceeds to us (before expenses)
Per note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest, if any, from , 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes through the book-entry delivery system of The Depository Trust Company and its direct participants, including Euroclear Bank SA/NV and Clearstream Banking, *société anonyme*, on or about , 2013.

Joint Book-Running Managers

J.P. Morgan

The date of this prospectus supplement is

Wells Fargo Securities

, 2013

US Bancorp

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About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the notes and contains certain information relating to us and our business, financial condition and results of operations. The second part is the accompanying prospectus dated January 24, 2013, which we refer to as the accompanying prospectus. The accompanying prospectus contains more general information about debt securities we may offer from time to time, some of which may not apply to this offering. This prospectus supplement and the accompanying prospectus also incorporate by reference important information about us and other information you should know before purchasing the notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus or in any free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any such free writing prospectus is accurate as of any date other than the respective dates thereof. Our business, financial condition, results of operations and prospects may have changed since those dates.

We are not, and the underwriters are not, making an offer of the notes in any jurisdiction where the offer or sale is not permitted.

In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to the Company, we, us and our and all similar references are to First American Financial Corporation and its consolidated subsidiaries or, for the periods prior to June 1, 2010, to the businesses of The First American Corporation, or TFAC, that became part of First American Financial Corporation in connection with the Separation (as defined below). However, in the Description of the notes and related summary sections of this prospectus supplement and the Description of the debt securities section of the accompanying prospectus, references to the Company, we, us and our are to First American Financial Corporation only and not to any of its subsidiaries. In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to the indenture are to the indenture governing the notes, as supplemented by the first supplemental indenture.

Market and industry data

This prospectus supplement and the documents incorporated by reference herein include market share and industry data and forecasts that we have obtained from market research, publicly available information and industry publications. Some of the sources from which we have obtained information are the Mortgage Bankers Association and the American Land Title Association. Although we believe all of our sources are reliable, the information relied on and referred to in this prospectus supplement and the documents incorporated by reference herein has not been verified by any independent sources, and we do not guarantee the accuracy and completeness of such information.

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Incorporation by reference

The SEC allows us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus supplement from the date we file that document with the SEC. Notwithstanding the above, we are not incorporating any documents or information deemed to have been furnished rather than filed in accordance with SEC rules.

We incorporate by reference in this prospectus supplement the documents set forth below that have been previously filed with the SEC:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed on February 27, 2012;

our Proxy Statement on Schedule 14A, filed on April 9, 2012;

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, June 30, 2012 and September 30, 2012, filed on May 1, 2012, July 30, 2012 and October 26, 2012, respectively;

our Current Reports on Form 8-K, filed on April 20, 2012, May 16, 2012, November 13, 2012, and November 14, 2012 (to the extent such reports are filed); and

any filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, on or after the date of this prospectus supplement and before the termination of this offering. Any reports filed by us with the SEC on or after the date of this prospectus supplement and before the date that the offering of the notes by means of this prospectus supplement and the accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained or incorporated by reference in this prospectus supplement.

To obtain copies of these filings, see [Where you can find more information](#) of the accompanying prospectus.

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Summary

The following summary highlights information contained or incorporated by reference in this prospectus supplement. It does not contain all of the information that you should consider before investing in the notes. You should carefully read this entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated herein and therein by reference, including the financial statements and the accompanying notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus. You should also carefully consider the matters discussed under Risk factors.

First American Financial Corporation

Through our subsidiaries, we are engaged in the business of providing financial services through our title insurance and services segment and our specialty insurance segment. The title insurance and services segment provides title insurance, closing and/or escrow services and similar or related services domestically and internationally in connection with residential and commercial real estate transactions. We also maintain, manage and provide access to title plant records and images and provide banking, trust and investment advisory services. Our specialty insurance segment issues property and casualty insurance policies and sells home warranty products.

First American Financial Corporation was incorporated in the state of Delaware in January 2008 to serve as the holding company of TFAC's financial services businesses following the spin-off of those businesses from TFAC, or the Separation. The Separation was consummated on June 1, 2010, at which time our common stock was listed on the New York Stock Exchange under the ticker symbol FAF. In connection with the Separation, TFAC reincorporated in Delaware and assumed the name CoreLogic, Inc., or CoreLogic. The businesses operated by our subsidiaries have, in some instances, been in existence since the late 1800s.

Title insurance and services segment

Our title insurance and services segment issues title insurance policies on residential and commercial property in the United States and offers similar or related products and services internationally. This segment also provides closing and/or escrow services, accommodates tax-deferred exchanges of real estate, maintains, manages and provides access to title plant records and images and provides banking, trust and investment advisory services. We conduct our title insurance and closing business through a network of direct operations and agents. Through this network, we issue policies in the 49 states that permit the issuance of title insurance policies and the District of Columbia. We also offer title insurance, closing services and similar or related products and services, either directly or through partners in several countries, including Canada, the United Kingdom and various other established and emerging markets. During 2012, we experienced an increase in the number of closed residential purchase orders as a result of the continued recovery of the housing market and a significant increase in closed residential refinance orders driven by favorable mortgage rates. We also saw an increase in closed commercial and default orders during 2012.

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Specialty insurance segment

Property and Casualty Insurance. Our property and casualty insurance business provides insurance coverage to residential homeowners and renters for liability losses and typical hazards such as fire, theft, vandalism and other types of property damage. We are licensed to issue policies in all 50 states and the District of Columbia and actively issue policies in 43 states. In California, we also offer preferred risk auto insurance. We market our property and casualty insurance business using both direct distribution channels, including cross-selling through our existing closing-service activities, and through a network of independent brokers.

Home Warranties. Our home warranty business provides residential service contracts that cover residential systems, such as heating and air conditioning systems, and certain appliances against failures that occur as the result of normal usage during the coverage period. Our home warranty business currently operates in 39 states and the District of Columbia. We market our home warranty business through real estate brokers and agents, but also directly to consumers.

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The Offering

The following is a brief summary of the terms and conditions of this offering. It does not contain all of the information that you need to consider in making your investment decision. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled "Description of the notes."

Issuer	First American Financial Corporation.
Securities offered	\$ _____ aggregate principal amount of _____ % Senior Notes due 2023.
Maturity date	_____, 2023.
Interest rate	_____ % per annum.
Interest payment dates	Interest on the notes will be paid semi-annually on _____ and _____ of each year, beginning on _____, 2013.
Ranking	<p>The notes:</p> <ul style="list-style-type: none"> _____ will be our general senior unsecured obligations; _____ will not be guaranteed by any of our subsidiaries; _____ will rank equally in right of payment with our existing and future senior unsecured indebtedness; and _____ will be effectively subordinated to all liabilities of our subsidiaries and to all of our secured indebtedness to the extent of the value of the collateral securing such indebtedness. <p>Assuming we had completed this offering on September 30, 2012, the notes would have been effectively subordinated to \$72.5 million of notes and contracts payable of our subsidiaries owed to third parties. In addition, the notes would have been effectively subordinated to \$83.9 million of intercompany indebtedness under our Second Amended and Restated Secured Promissory Note, dated as of September 30, 2012, to the extent of the value of the collateral securing such indebtedness.</p>
Optional redemption	We will have the right at our option to redeem the notes, in whole or in part, at any time or from time to time, at the redemption price described under "Description of the notes" Optional redemption in this prospectus supplement.

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Covenants

The indenture governing the notes will, among other things, limit our ability to:

create liens; and

consolidate, merge or convey, transfer or lease all or substantially all of our assets.

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Each of the covenants is subject to a number of important exceptions and qualifications. See Description of the notes Certain covenants.

Use of proceeds

We estimate that the net proceeds we will receive from this offering will be approximately \$ million, after deducting the underwriting discount and estimated expenses of this offering payable by us. We intend to use the net proceeds from the sale of the notes to repay all borrowings outstanding under our revolving credit facility and for general corporate purposes.

Conflicts of interest

We intend to use a portion of the net proceeds from the sale of the notes to repay all borrowings outstanding under our revolving credit facility. Affiliates of each of the underwriters are lenders under our revolving credit facility and will receive a portion of the net proceeds from this offering pursuant to such repayment. Each of the underwriters whose affiliates will receive at least 5% of the net proceeds of this offering pursuant to such repayment is considered by the Financial Industry Regulatory Authority, or FINRA, to have a conflict of interest in regards to this offering. As such, this offering is being conducted in accordance with the applicable requirements of FINRA Rule 5121 regarding the underwriting of securities of a company with a member that has a conflict of interest within the meaning of that rule. Under Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering, because the offering is of a class of securities that are rated investment grade, as defined in Rule 5121.

Form and denomination

The notes will be issued in the form of one or more fully registered global securities, without coupons, in denominations of \$2,000 in principal amount and integral multiples of \$1,000 in excess thereof. These global securities will be deposited with the trustee as custodian for, and registered in the name of, a nominee of The Depository Trust Company, or DTC. Except in limited circumstances, notes in certificated form will not be issued or exchanged for interests in global securities.

Trading

The notes are a new issue of securities with no established trading market. We have not applied and do not intend to apply for listing of the notes on any securities exchange or for the inclusion of the notes on any automated dealer quotation system. The underwriters have advised us that they currently intend to make a market in the notes, but they are not obligated to do so and may, in their sole discretion, discontinue market-making at any time without notice. See Underwriting (Conflicts of Interest) New issue of notes in this prospectus supplement for more information about possible market-making by the underwriters.

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Trustee

U.S. Bank National Association.

Risk factors

You should carefully consider the information set forth in the Risk factors section of this prospectus supplement, as well as all other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, before deciding whether to invest in the notes.

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Summary consolidated financial data

The following tables present our summary consolidated financial data as of and for the periods ended on the dates indicated below. We have derived the summary consolidated financial data as of December 31, 2011 and 2010 and for each of the years ended December 31, 2011, 2010 and 2009 from our audited consolidated financial statements and notes related thereto included in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference into this prospectus supplement, except for certain reclassifications that were made to conform to the presentation of the September 30, 2012 summary consolidated financial data. The summary consolidated financial data for the nine months ended September 30, 2012 and 2011, and the summary consolidated financial data as of September 30, 2012, have been derived from our unaudited financial statements included in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2012, which is incorporated by reference into this prospectus supplement. The summary consolidated financial data as of September 30, 2011, has been derived from our unaudited financial statements included in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2011, which is not included or incorporated by reference into this prospectus supplement. The summary consolidated financial data as of December 31, 2009 and for the year ended December 31, 2008, have been derived from our audited consolidated financial statements and notes related thereto included in our Annual Report on Form 10-K for the year ended December 31, 2010, which is not included or incorporated by reference into this prospectus supplement, except for certain reclassifications that were made to conform to the presentation of the September 30, 2012 summary consolidated financial data. The summary consolidated financial data as of December 31, 2008 and 2007 and for the year ended December 31, 2007, have been derived from our audited financial statements included in the Information Statement attached as an exhibit to our Form 8-K, filed with the SEC on May 28, 2010, and from our books and records, neither of which are included or incorporated by reference into this prospectus supplement, except for certain reclassifications that were made to conform to the presentation of the September 30, 2012 summary consolidated financial data. Our unaudited financial statements were prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments necessary for a fair statement of the information set forth therein. Interim results are not necessarily indicative of the results to be expected for an entire fiscal year.

We became a publicly traded company in connection with our spin-off from our prior parent, TFAC, following the consummation of the Separation on June 1, 2010. Our historical financial statements for the periods prior to June 1, 2010 have been derived from the consolidated financial statements of TFAC and represent carve-out stand-alone combined financial statements. The combined financial statements for the periods prior to June 1, 2010 include items attributable to us and allocations of general corporate expenses from TFAC. As a result, our consolidated financial data for the periods prior to June 1, 2010 does not necessarily reflect what our financial position or results of operations would have been if we had been operated as a stand-alone public entity during the periods covered prior to June 1, 2010, and may not be indicative of our future results of operations and financial position.

Because the data in these tables is only a summary, you should read our audited and unaudited consolidated financial statements, including the related notes thereto, incorporated herein by

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reference, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2011 and Quarterly Report on Form 10-Q for the nine months ended September 30, 2012, each of which is incorporated herein by reference, as well as the other information we have incorporated by reference into this prospectus supplement.

	Year ended December 31,					Nine months ended September 30,	
	2011	2010	2009	2008	2007	2012	2011
(dollars and title orders in thousands)							
Statements of Income Data:							
Revenues:							
Direct premiums and escrow fees	\$ 1,634,177	\$ 1,663,498	\$ 1,760,571	\$ 1,879,772	\$ 2,481,175	\$ 1,446,920	\$ 1,189,605
Agent premiums	1,491,943	1,517,704	1,524,120	1,709,640	2,637,105	1,220,375	1,114,390
Other income and losses	694,454	725,410	762,143	778,313	957,852	597,703	520,013
Total revenues	3,820,574	3,906,612	4,046,834	4,367,725	6,076,132	3,264,998	2,824,008
Expenses:							
Personnel costs	1,178,368	1,206,683	1,209,713	1,375,216	1,795,375	971,462	868,703
Premiums retained by agents	1,195,282	1,222,274	1,229,229	1,364,046	2,111,798	978,703	893,382
Other operating expenses	761,878	811,372	916,318	1,064,369	1,297,894	607,908	578,373
Provision for policy losses and other claims	420,136	320,874	346,714	509,563	875,855	288,276	318,926
Depreciation and amortization	76,889	80,642	84,212	96,865	95,716	54,944	56,984
Premium taxes	45,663	37,780	36,484	46,366	65,720	36,546	34,359
Interest	12,065	14,881	19,819	27,215	42,607	7,437	9,104
Total expenses	3,690,281	3,694,506	3,842,489	4,483,640	6,284,965	2,945,276	2,759,831
Income (loss) before income taxes	130,293	212,106	204,345	(115,915)	(208,833)	319,722	64,177
Income taxes	51,714	83,150	70,068	(43,433)	(86,387)	111,196	25,976
Net income (loss)	78,579	128,956	134,277	(72,482)	(122,446)	208,526	38,201
Less: Net income attributable to noncontrolling interests	303	1,127	11,888	11,523	20,537	762	152
Net income (loss) attributable to the Company	\$ 78,276	\$ 127,829	\$ 122,389	\$ (84,005)	\$ (142,983)	\$ 207,764	\$ 38,049
Other Financial Data:							
Cash provided by (used for) operating activities	\$ 136,674	\$ 157,007	\$ 233,587	\$ 110,441	\$ (60,636)	\$ 251,495	\$ 35,706
Cash provided by (used for) investing activities	\$ (26,103)	\$ (275,336)	\$ 28,118	\$ (804,580)	\$ (382,061)	\$ (199,136)	\$ 33,745
Cash provided by (used for) financing activities	\$ (418,164)	\$ 217,241	\$ (354,059)	\$ 511,403	\$ (201,725)	\$ 272,998	\$ (161,199)
Ratio of earnings to fixed charges(1)	3.6	4.6	3.7	\$ 107,934(2)	\$ 206,772(2)	10.0	2.7
Other Data:							
Title orders opened(3)	1,254	1,469					