RE 52 Course Outline as of Summer 2021

CATALOG INFORMATION

Dept and Nbr: RE 52 Title: REAL ESTATE FINANCE
Full Title: Real Estate Finance
Last Reviewed: 2/12/2024

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	3.00	Lecture Scheduled	3.00	17.5	Lecture Scheduled	52.50
Minimum	3.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	3.00		Contact Total	52.50
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 105.00 Total Student Learning Hours: 157.50

Title 5 Category:	AA Degree Applicable
Grading:	Grade Only
Repeatability:	00 - Two Repeats if Grade was D, F, NC, or NP
Also Listed As:	
Formerly:	RE 80E

Catalog Description:
Analysis of real estate financing, including lending policies and problems in financing transactions in residential apartments, commercial, and special purpose properties. Methods of financing properties emphasized. Applies toward State's educational requirements for the broker's examination and as a educational elective for the salesperson license.

Prerequisites/Corequisites:

Recommended Preparation:
Eligibility for ENGL 100 or ESL 100

Limits on Enrollment:

Schedule of Classes Information:
Description: Analysis of real estate financing, including lending policies and problems in financing transactions in residential apartments, commercial, and special purpose properties. Methods of financing properties emphasized. Applies toward State's educational requirements for the broker's examination and as a educational elective for the salesperson license. (Grade Only)

Prerequisites/Corequisites:
Recommended: Eligibility for ENGL 100 or ESL 100
Limits on Enrollment:
Transfer Credit: CSU;
Repeatability: Two Repeats if Grade was D, F, NC, or NP

ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:

AS Degree:	**Area**			Effective:	Inactive:
CSU GE:	**Transfer Area**			Effective:	Inactive:
IGETC:	**Transfer Area**			Effective:	Inactive:
CSU Transfer:	Transferable	Effective:	Fall 1981	Inactive:	
UC Transfer:		Effective:		Inactive:	

CID:

Certificate/Major Applicable:
Both Certificate and Major Applicable

COURSE CONTENT

Student Learning Outcomes:
At the conclusion of this course, the student should be able to:
1. Outline and plan financing opportunities available for real property.
2. Examine and integrate current economic conditions into the availability of credit.
3. Identify and originate the required instruments of real estate finance.
4. Satisfy the California Department of Real Estate elective education requirement for salespersons.
5. Satisfy the California Department of Real Estate mandatory education requirement for brokers.

Objectives:
At the conclusion of this course, the student should be able to:
1. Analyze the credit lending environment in terms of local and national factors, economic indicators, and the Federal Reserve System.
2. Evaluate loan analysis including income, assets, credit, and property.
3. Differentiate, compare and contrast mortgage markets including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, local banks and savings associations as well as private sources of funds.
4. Examine requisites of commercial lending including collateral, leases, and vacancy.
5. Prepare instruments of real estate financing including notes, deeds of trust, and installment sales contracts.

Topics and Scope:

I. Money, Credit and the Monetary System
   A. Real estate cycles
   B. Federal Reserve System, U.S. Treasury
   C. Federal Home Loan bank system

II. Fiduciary, Semi, and Non-Fiduciary Sources for Real Estate Financing
   A. Commercial banks, savings and loans, and life insurance companies
   B. Mortgage bankers/mortgage brokers, trusts, syndications
   C. Federal Housing Administration
   D. Veteran's Administration
III. Conventional, Insured and Government Loans
   A. Private sector - conventional loans
   B. Public sector
      1. Federal Housing Administration
      2. Veteran's Administration
      3. Cal-Vet Home Loan Program
      4. California Housing Finance Agency
IV. Instruments of Real Estate Finance
   A. Promissory notes
   B. Deeds of trust
   C. Note and mortgage
   D. Sales contract
V. Loan Processing and Loan Underwriting
   A. Verification of income, assets, and credit
   B. Property including collateral
   C. Exhibits, documents, and closing
VI. Mathematics of Real Estate Finance
   A. Interest
   B. Payment schedules
   C. Prorations
   D. Discounting

Assignment:

1. Reading between 25 and 40 pages per week
2. Analyze two to five of the following, including how each factor influences sales price and finance options:
   A. the difference between residential and commercial lending
   B. the relation of interest rate environment
   C. choice of lender
   D. loan product
   E. credit scoring
3. Homework: complete hypothetical purchaser qualification using standard industry instruments

4. Class performance and class participation
5. Chapter quizzes
6. Four exams and a final

Methods of Evaluation/Basis of Grade:

Writing: Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Analyses of available home loans-FHA-VA, Low Income, Conforming and Jumbo financing	Writing 0 - 20%

Problem Solving: Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Hypothetical purchaser qualification	Problem solving 5 - 20%

Skill Demonstrations: All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

Class performance, analyses of finance topics	Skill Demonstrations 0 - 10%

Exams: All forms of formal testing, other than skill performance exams.

Chapter quizzes, exams and final exam	Exams 50 - 70%

Other: Includes any assessment tools that do not logically fit into the above categories.

Attendance and participation	Other Category 5 - 15%

Representative Textbooks and Materials:
Real Estate Finance and Load Brokering. 8th ed. Huber, Walt and Zozula, Walt. Educational Textbook Company. 2017