RE 52 Course Outline as of Fall 2005

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.

Prerequisites/Corequisites:

Recommended Preparation:
Eligibility for ENGL 100 or ESL 100 AND BMG 54.

Limits on Enrollment:

Schedule of Classes Information:
Description: Analysis of real estate financing, as applied toward the requirements for the California broker's exam. (Grade Only)
Prerequisites/Corequisites:
Recommended: Eligibility for ENGL 100 or ESL 100 AND BMG 54.
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:
Certificate Applicable Course

COURSE CONTENT

Outcomes and Objectives:
Upon completion of this course students will 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:

1. Money, credit and the monetary system
    a. Real estate cycles
    b. Federal Reserve System, U.S. Treasury
    c. Federal Home Loan bank system
2. 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 Association
    d. Veteran's Administration
3. 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

4. Instruments of real estate finance
   a. Promissory notes
   b. Deeds of trust
   c. Note and mortgage
   d. Sales contract
5. Loan processing and loan underwriting
   a. Verification of income, assets, and credit
   b. Property including collateral
   c. Exhibits, documents, and closing
6. Mathematics of real estate finance
   a. Interest
   b. Payment schedules
   c. Prorations
   d. Discounting

Assignment:

1. Reading assignments of between 25 and 40 pages per week
2. Case studies: residential vs. commercial financing
3. Exams
4. Transaction analysis: relation of interest rate environment, choice of lender, loan product, purchaser credit rating and how each factor influences sales price and finance options
5. Homework: complete hypothetical purchaser qualification using standard industry instruments
6. Class performance, role playing and oral presentations

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.

Written homework	Writing 25 - 35%

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

None	Problem solving 0 - 0%

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

Class performances	Skill Demonstrations 5 - 10%

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

Multiple choice, True/false, Essay exam	Exams 50 - 65%

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

Participation	Other Category 5 - 15%

Representative Textbooks and Materials:
CALIFORNIA REAL ESTATE FINANCE by Lush and Sirota. 5th Edition. Dearborn Publishing, copyright 2003