Real Estate Finance (RELE 1319)

Credit: 3 semester credit hours (3 hours lecture)

Prerequisite/Co-requisite: None

Course Description
Monetary systems, primary and secondary money markets, source of mortgage loans, federal government programs, loan applications, processes and procedures, closing costs, alternative financial instruments, equal credit opportunity laws affecting Mortgage lending, Community Reinvestment Act, and the state housing agency.

Required Textbook and Materials
1. Essentials of Real Estate Finance –Thirteenth Edition by David Sirota, PhD, Dearborn Real Estate Education
   a. ISBN number is: 978-1-4277-3819-6 / 1-4277-3819-X

Course Objectives
Upon completion of this course, the student will be able to:
1. Compare various types of financing available to clients and customers
2. Explain the functions of the primary and secondary money markets
3. List the types of lenders and explain the types of loans they provide
4. Quality the buyer and the property using lender guidelines
5. Calculate net sheets for both parties in a real estate transactions

Course Outline
A. The Nature and Cycle of Real Estate Finance
   1. Mortgage lending activities
   2. Real Estate cycles
   3. Changes in real estate finance
B. Money and the Monetary System
   1. What is money
   2. The Federal Reserve System (The Fed)
   3. Instruments of credit policy
C. Additional Government Activities
   1. U.S. Dept. of Housing and Urban Development (HUD)
   2. Other federal legislation
   3. State financing agencies
D. The Secondary Mortgage Market
   1. Federal Housing Finance Agency
   2. Fannie Mae, Freddie Mac, Ginnie Mae
   3. Federal Home Loan Bank (FHLB)
E. Source of Funds
   1. Institutional lenders, commercial banks
   2. Savings association/Thrifts
   3. Credit Unions and other Lenders
F. Instruments of Real Estate Finance
   1. Encumbrances and liens
   2. The Note and Deed of Trust
   3. Special provisions in mortgage lending instruments
G. Real Estate Financing Programs
   1. Types of loans
   2. Private Mortgage Insurance
   3. Tax impacts on mortgage lending

Approved 12/2013
RELE1319
Course Syllabus

H. Government Loans
   1. Federal Housing Administration
   2. VA Loan Guarantee Program
   3. Direct Endorsement
I. Processing Real Estate Loans
   1. Qualifying the Borrower
   2. Qualifying the Collateral
   3. Qualifying the Title
   4. Closing the Loan
J. Defaults and Foreclosures
   1. Defaults
   2. Types of Foreclosures
   3. Tax impacts of Foreclosures

Grade Scale
90 – 100        A
80 – 89         B
70 – 79         C
60 – 69         D
0 – 59          F

Course Evaluation
Final grades will be calculated according to the following criteria:
1. Class attendance, class participation and pop quiz’s 20%
2. Four (4) Unit Tests 20% each 80%
   Total 100%

Course Requirements
1. Satisfactory exam grades
2. Satisfactory attendance

Course Policies
1. No food, drinks, or use of tobacco products in class.
2. Beepers, telephones, headphones, and any other electronic devices must be turned off while in class.
3. Do not bring children to class.
4. Tests. Students that miss a test are not allowed to make up the test. Students that miss a test will receive a grade of ‘0’.
5. If you wish to drop a course, the student is responsible for initiating and completing the drop process. If you stop coming to class and fail to drop the course, you will earn an ‘F’ in the course.
6. Additional class policies as defined by the individual course instructor.

Disabilities Statement
The Americans with Disabilities Act of 1992 and Section 504 of the Rehabilitation Act of 1973 are federal anti-discrimination statutes that provide comprehensive civil rights for persons with disabilities. Among other things, these statutes require that all students with documented disabilities be guaranteed a learning environment that provides for
reasonable accommodations for their disabilities. If you believe you have a disability requiring an accommodation, please contact the Special Populations Coordinator at (409) 880-1737 or visit the office in Student Services, Cecil Beeson Building.

Course Schedule

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Contact Information:

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