

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

## RELE1319

### Course Syllabus

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

<b>Week of</b>	<b>Topic</b>	<b>Reference</b>
Week 1	Course Introduction Chapter 1: The Nature and Cycles of Real Estate Finance	pp. 1 - 17
Week 2	Chapter 2: Money and the Monetary System	pp. 18 - 34
Week 3	Chapter 3: Additional Government Activities TEST #1: Chapters 1 – 3	pp. 35 - 50
Week 4	Chapter 4: The Secondary Mortgage Market	pp. 51 - 66
Week 5	Chapter 5: Sources of Funds	pp. 67 - 89
Week 6	Chapter 6: Instruments of Real Estate Finance	pp. 90 - 113
Week 7	Chapter 6: Instruments of Real Estate Finance - Continued TEST #2: Chapters 4 – 6	pp. 90 - 113
Week 8	Chapter 7: Real Estate Financing Programs	pp. 114 - 149
Week 9	Chapter 7: Real Estate Financing Programs Continued	pp. 114 - 149
Week 10	Chapter 8: Government Loans	pp. 150 - 176
Week 11	Chapter 8: Government Loans – Cont'd TEST #3: Chapters 7 – 8	pp. 150 - 176
Week 12	Chapter 9: Processing Real Estate Loans	pp. 177 - 200
Week 13	Chapter 9: Processing Real Estate Loans – Continued	pp. 177 - 200
Week 14	Chapter 10: Defaults and Foreclosures	pp. 201 - 217
Week 15	Chapter 10: Defaults and Foreclosures – Continued Review for Final Exam	pp. 201 - 217
Week 16	Final Exam: Chapters 9 – 10	

### Contact Information:

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