I. INTRODUCTION

A. An overview of topics that are required knowledge for the Texas Real Estate Commission licensing examination. Monetary systems, primary and secondary money markets, sources 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. The components of the course will include real estate cycles, money and the monetary system, government regulation (equal credit opportunity, community reinvestment and home mortgage disclosure rules,) secondary mortgage market, sources of funds, instruments of real estate finance, real estate financing programs, government and agency loans, loan applications, processing, and procedures for real estate loans, closing costs; and defaults and foreclosures. This course meets the Texas Real Estate Licensing Act (TRELA) requirements for a core course on Real Estate Finance.

B. RELE 1219 is a required course in the Real Estate certificate program and may be taken as an elective in the Business Management and Marketing and Sales Management degree and certificate programs. The course satisfies the Finance requirement of the Texas Real Estate License Act and meets the Texas Real Estate Commission’s (TREC) sales agent education licensure requirement for 30 hours of real estate finance education.

C. The course is occupationally related and serves as preparation for a career as a licensed real estate sales professional as well as providing valuable information to the student as a buyer or seller of real property.

D. Prerequisites: None

E. Alphanumeric coding used throughout this syllabus denotes integration of the Secretary’s Commission on Achieving Necessary Skills (SCANS) occupational competencies (CA B, CI, 2, etc.) and foundation skills (FA B, CI, 2, etc.) for this course. The instructor will ensure the designated SCANS competencies and skills are addressed in this course.
detailed description of each competence/skill is contained in “A SCANS Report for America 2000,” Executive Summary, furnished separately.

II. LEARNING OUTCOMES

Upon successful completion of this course, RELE 1219 – Real Estate Finance, the student will be able to:

A. Describe and explain monetary systems and primary and secondary money markets.

B. Define sources of mortgage loans.

C. Identify the different types of loan programs available to buyers.

D. Explain loan applications, processes and procedures required for the different types of loan programs.

E. Describe how to accurately estimate closing costs for different transactions.

F. Compare alternative financial instruments.

G. Comply with various regulations such as Equal Credit Opportunity laws, Community Reinvestment Act of 1977, Home Mortgage Disclosure Act, etc.

H. Discuss eligibility for loans from state housing agencies including the Texas Departments of Housing and Community Affairs and other state and county specific agencies.

I. The following SCANS competencies and foundation skills will be covered in this course:

1. Foundation Skills
   
   a. Basic Skills
      (1) Reading (FA1)
      (2) Writing (FA2)
      (3) Arithmetic/Mathematics (FA3)
      (4) Listening (FA4)
      (5) Speaking (FA5)

   b. Thinking Skills
      (1) Decision Making (FB2)
      (2) Problem Solving (FB3)
      (3) Reasoning (FB6)
c. Personal Qualities
   (1) Responsibility (FC1)
   (2) Self-esteem (FC2)
   (3) Sociability (FC3)
   (4) Self-management (F4)
   (5) Integrity/honesty (FC5)

2. Competencies
   a. Resources
      (1) Human Resources (CA4)
   b. Interpersonal Skills
      (1) Serves Customer (CB3)
      (2) Cultural Diversity (CB6)
   c. Information
      (1) Acquires/uses (CC1)
      (2) Organized/maintains (CC2)
      (3) Interprets/communicates (CC3)
      (4) Uses Computer (CC4)

III. INSTRUCTIONAL MATERIALS

The instructional materials identified for this course are viewable through www.ctcd.edu/books.

IV. COURSE REQUIREMENTS

This section contains a detailed list of every requirement that the student will be expected to accomplish for satisfactory completion of the course. The class Assignments & Course Schedule will be provided by the instructor on the first day of class and published on Page 2 of the online syllabus.

A. Reading Assignments: Complete assigned reading in accordance with the published Assignments & Course Schedule. Be prepared to discuss the text material, answering instructor questions orally with well-organized thoughts and ideas. (FA1, FA5, CA4, CC1, 2 & 3)

B. Graded Lesson Assignments: Complete scheduled assignments in accordance with the published Assignments & Course Schedule. In addition, the instructor may administer pop quizzes, discussion boards, and other lesson quizzes to encourage student preparation for
class periods. Late assignments will not be accepted and there will be no makeup for missed assignments. (FC4)

C. Class Attendance: (Refer to CTC Catalog for detailed policy.) (FC1 & 4) You are expected to attend each class period, be on time and stay the full instruction period or be counted absent. You are responsible for all course material missed due to an absence. The instructor does not provide class notes for classes missed. More than two (2) absences in an 8-week course or three (3) absences in a 10-or-more-week course will result in a failing grade.

Students who have not attended a face-to-face lecture session or satisfactorily completed any online class assignments by the 12th day of a 16-week course or the 6th day of an 8-week course will be administratively dropped from the course.

V. EXAMINATIONS (CC1, CC2, FC2)

There will be one major scheduled examination administered during the final week of the course (Final Exam). The Final Exam may consist of multiple choice, fill in the blank, completion, matching or short essay questions. A pre-examination review will be conducted in accordance with the published Assignments & Course Schedule. The composition of the final exam (number and type of questions) will be specified by the instructor during the pre-exam review.

VI. SEMESTER GRADE COMPUTATIONS

A. The final grade for the semester will be computed as follows:
   1. Final Exam 60%
   2. Graded Lesson Assignments 40%

B. Letter grades will be assigned as follows:

<table>
<thead>
<tr>
<th>Numerical Value</th>
<th>Grades</th>
<th>Quality Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100</td>
<td>A-Superior</td>
<td>4</td>
</tr>
<tr>
<td>80-89</td>
<td>B-Above Average</td>
<td>3</td>
</tr>
<tr>
<td>70-79</td>
<td>C-Average</td>
<td>2</td>
</tr>
<tr>
<td>60-69</td>
<td>D- Unsatisfactory</td>
<td>1</td>
</tr>
<tr>
<td>Below 60</td>
<td>F-Failure</td>
<td>0</td>
</tr>
<tr>
<td>N/A</td>
<td>I-Incomplete</td>
<td>0</td>
</tr>
<tr>
<td>N/A</td>
<td>W-Withdrawal</td>
<td>0</td>
</tr>
</tbody>
</table>

VII. NOTES AND ADDITIONAL INSTRUCTIONS FROM INSTRUCTOR

A. Course Withdrawal:
1. It is the student’s responsibility to officially withdraw from a course if circumstances prevent attendance. Any student who desires to, or must, officially withdraw from a course after the first scheduled class meeting must file a Central Texas College Application for withdrawal (CTC Form 59.) The withdrawal form must be signed by the student. CTC Form 59 will be accepted at any time prior to Friday of the 12th week of classes during the 16-week fall and spring semesters. The deadline for sessions of other lengths is as follows:

<table>
<thead>
<tr>
<th>Session Length</th>
<th>Withdrawal Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-week session</td>
<td>Friday of the 8th week</td>
</tr>
<tr>
<td>8-week session</td>
<td>Friday of the 6th week</td>
</tr>
<tr>
<td>5-week session</td>
<td>Friday of the 4th week</td>
</tr>
</tbody>
</table>

2. The equivalent date (75% of the semester) will be used for sessions of other durations. The specific last day to withdraw is published each semester in the Schedule Bulletin.

3. Students who officially withdraw will be awarded the grade of “W” provided at the student’s attendance and academic performance are satisfactory at the time of the official withdrawal.

4. Students must file a withdrawal application with the College before they may be considered for withdrawal.

5. A student may not withdraw from a class for which the instructor has previously issued the student a grade of “F” for nonattendance.

B. Administrative Withdrawal:

1. An administrative withdrawal may be administered by the instructor when the student has been absent an excessive number of times, as defined in the current Central Texas College Catalogue and or other published amendatory documentation. In such case, the student may be dropped from the course with the grade of “F”.

2. The student is responsible for maintaining his/her own attendance record so that he/she may be aware of a pending administrative withdrawal by instructor.

C. Incomplete Grade: The college catalog states “an incomplete grade may be given in those cases where the student has completed the majority of the course work but, because of personal illness, death in the immediate family, or military orders the student is unable to complete the requirements for a course.” Prior approval from the instructor is required before the grade of “I” for Incomplete is recorded. A student who merely fails to show for the final examination will receive a zero for the final and an “F” for the course.
D. Cellular Phones and Pagers: Cellular phones and pagers will be turned off while the student is in the classroom or laboratory.

E. Americans with Disabilities Act (ADA): Disability Support Services provide services to students who have appropriate documentation of a disability. Students requiring accommodations for class are responsible for contacting the Office of Disability Support Services (DSS) located on the central campus. This service is available to all students, regardless of location. Explore the web site at www.ctcd.edu/disability-support for further information. Reasonable accommodations will be given in accordance with the federal and state laws through the DSS office.

F. Instructor Discretion: The instructor reserves the right of final decision in course requirements.

G. Civility: (FC3) Individuals are expected to be cognizant of what a constructive educational experience is and respectful of those participating in a learning environment. Failure to do so can result in disciplinary action up to and including expulsion.

H. Honesty and Integrity: (FC5) All students are required and expected to maintain the high standards of scholastic honesty in the preparation of all course work and during examinations. The following will be considered examples of scholastic dishonesty:

1. Plagiarism: The taking of passages from writing of others without giving proper credit to the sources.

2. Collusion: Using another’s work as one’s own; or working together with another person in the preparation of work, unless joint preparation is specifically approved in advance by the instructor.

3. Cheating: Giving or receiving information on examinations.

4. Students guilty of scholastic dishonesty will be administratively dropped from the course with a grade of “F” and will be subject to disciplinary action.

VIII. FEEDBACK

Feedback is the return of data/information about the result of a process and is an important part of the learning process. Feedback in the course will be provided via test scores, graded assignments, and/or instructor evaluation of the student’s progress. You are encouraged to take advantage of the many avenues for feedback available to you. For example, office hours are established primarily to provide the student access to the instructor to discuss academic guidance. I am also generally available before and after class to meet with you. Email is another
IX. RESPONSIBILITY FOR LEARNING:

A. Instructor:

As your instructor I will organize and present the course material in a manner designed to facilitate the learning process. I will evaluate your progress periodically via writing assignments, oral presentations, and exams and provide feedback on your performance via exam scores, exam critiques, and critique of your writing assignments and oral presentations, etc. I am available before and after class each period and by email to discuss your performance and answer questions.

B. Student:

As the student you are ultimately responsible for your own success in this course. It is your responsibility to attend class regularly, prepare for class by reading assigned text material, participate in class discussions, ask questions when necessary to improve your understanding, prepare for and complete exams and complete all other assignments.

X. COURSE OUTLINE

A. Lesson One: The Nature and Cycle of Real Estate Finance (Chapter 1)

1. **Learning Outcomes:** Upon successful completion of this lesson, the student will be able to
   
   a. define and illustrate the concepts of collateralization, hypothecation and leverage;
   b. discuss mortgage lending activities, including the financial crisis, and plans to stimulate the U.S. economy; and
   c. name important factors that affect real estate cycles, including the impact of the financial crisis.

2. **Learning Activities:**
   
   a. Classroom lecture/discussion (FA4, F3)
   b. Student homework study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline:** Follow the sequence of lesson learning outcomes.

B. Lesson Two: Money and the Monetary System (Chapter 2)
1. **Learning Outcomes**: Upon successful completion of this lesson, the student will be able to
   a. describe the activities of the Federal Reserve System;
   b. summarize the main four real estate finance functions of the Fed and explain the Truth in Lending Act;
   c. explain the role of the U.S. Department of the Treasury as the nation’s fiscal manager; and
   d. outline the responsibilities of the Federal Deposit Insurance Corporation (FDIC) and the Federal Home Loan Bank (FHLB).

2. **Learning Activities**:
   a. Classroom lecture/discussion (FA4, F3)
   b. Student homework study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline**: Follow the sequence of lesson learning outcomes.

C. Lesson Three: Additional Government Influence (Chapter 3)

1. **Learning Outcomes**: Upon successful completion of this lesson, the student will be able to
   a. list the responsibilities and activities of HUD and the CFPB;
   b. identify important acts of federal legislation that affect real estate finance; and
   c. describe the operation of local, state and agricultural lending programs.

2. **Learning Activities**:
   a. Classroom lecture/discussion (FA4, F3)
   b. Student homework study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline**: Follow the sequence of lesson learning outcomes.

D. Lesson Four: The Secondary Mortgage Market (Chapter 4)

1. **Learning Outcomes**: Upon successful completion of this lesson, the student will be able to
   a. explain the role of the Federal Housing Finance Agency (FHFA);
   b. describe the original purpose of Fannie Mae and the underwriting guidelines that must be followed in order to sell mortgage loans to Fannie Mae;
c. describe the original purpose of Freddie Mac and the underwriting guidelines that must be followed in order to sell mortgage loans to Freddie Mac; and
d. briefly explain the role of Ginnie Mae, the FHLB, Farmer Mac and REMICs in the secondary market.

2. **Learning Activities:**
   a. Classroom lecture/discussion (FA4, FC3)
   b. Student homework study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline:** Follow the sequence of lesson learning outcomes.

E. Lesson Five: Sources of Funds: Institutional, Non-Institutional, and Other Lenders (Chapter 5)

1. **Learning Outcomes:** Upon successful completion of this lesson, the student will be able to
   a. describe the types of loans offered by different lenders;
   b. explain the services of a mortgage broker and a mortgage banker;
   c. identify the various types of trusts and bonds used in real estate finance; and
   d. describe the role of private and foreign investors in real estate.

2. **Learning Activities:**
   a. Classroom lecture/discussion (FA4, FC3)
   b. Student homework study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline:** Follow the sequence of lesson learning outcomes.

F. Lesson Six: Instruments of Real Estate Finance (Chapter 6)

1. **Learning Outcomes:** Upon successful completion of this lesson, the student will be able to:
   a. identify examples of encumbrances and liens on a property;
   b. compare a mortgage and a deed of trust;
   c. discuss the possible uses for a contract for deed and junior financing; and
   d. identify special clauses that may be used in mortgage lending instruments.

2. **Learning Activities:**
3. **Lesson Outline:** Follow the sequence of lesson learning outcomes.

G. **Lesson Seven:** Real Estate Financing Programs (Chapter 7)

1. **Learning outcomes:** Upon successful completion of this lesson, the student will be able to

   a. illustrate the calculation of interest on term and amortized loans;
   b. define different types of loans, including fixed-rate and adjustable-rate mortgages;
   c. describe the basic guidelines for conventional conforming loans, including the calculation of private mortgage insurance;
   d. discuss refinancing and modification options brought on by the financial crisis of 2007, including the impact of the subprime market and predatory lending; and
   e. describe variations in format for mortgage loans, including participation agreements, installment sales, and IRC Section 1031 exchanges.

2. **Learning Objectives:**

   a. Classroom lecture/discussion (FA4, FC3)
   b. Student Homework Study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline:** Follow the sequence of lesson learning outcomes.

H. **Lesson Eight:** Government Loans (Chapter 8)

1. **Learning outcomes:** Upon successful completion of this lesson, the student will be able to

   a. explain the important components of the major FHA programs;
   b. calculate the down payment, loan amount, and PITI, including MIP payment for an FHA-insured mortgage loan;
   c. describe the use of the certificate of eligibility, certificate of reasonable value, residual income, and funding fee for a VA-guaranteed mortgage loan; and
   d. describe the assumption process for a VA loan, including release of liability and substitution of entitlement.

2. **Learning Objectives:**
a. Classroom lecture/discussion (FA4, FC3)
b. Student Homework Study (FC1, CC1)
c. Reading assignments (FA1, CA1)

3. **Lesson Outline**: Follow the sequence of lesson learning outcomes.

I. **Lesson Nine**: Processing Real Estate Loans (Chapter 9)

1. **Learning outcomes**: Upon successful completion of this lesson, the student will be able to
   a. explain the process of qualifying the buyer;
   b. discuss the impact of credit scoring on obtaining loan approval;
   c. describe the direct sales comparison, cost, and income capitalization approaches and how an appraiser may reconcile them to determine value; and
   d. define the methods for obtaining assurance of good title and identify the costs that may be involved in the closing of a real estate loan.

2. **Learning Objectives**:
   a. Classroom lecture/discussion (FA4, FC3)
   b. Student Homework Study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline**: Follow the sequence of lesson learning outcomes.

J. **Lesson Ten**: Defaults and Foreclosures (Chapter 10)

1. **Learning Outcomes**: Upon successful completion of this chapter the student will be able to
   a. describe the various causes for default on a mortgage loan;
   b. define the various actions that lender could take to help the borrower avoid foreclosure; and
   c. describe types of foreclosures and redemption periods.

2. **Learning objectives**
   a. Classroom lecture/discussion (FA4, FC3)
   b. Student homework study (FC1, CC1)
   c. Reading assignments (FA1, CA1)

3. **Lesson Outline**: Follow the sequence of lesson learning outcomes.