

**College of San Mateo
Official Course Outline**

1. COURSE ID: R.E. 131 **TITLE:** Real Estate Finance

Units: 3.0 units **Hours/Semester:** 48.0-54.0 Lecture hours; and 96.0-108.0 Homework hours

Method of Grading: Letter Grade Only

2. COURSE DESIGNATION:

Degree Credit

Transfer credit: CSU

3. COURSE DESCRIPTIONS:

Catalog Description:

Law, regulations, practices, and customs relating to the financing of real estate, with emphasis on the financing private residences in California. Real Estate Finance in its context including some key legal, financial, monetary, industry, regulatory, and historical considerations. (This course has been accepted by the California Bureau of Real Estate for credit towards the sales agent and broker licenses.)

4. STUDENT LEARNING OUTCOME(S) (SLO'S):

Upon successful completion of this course, a student will meet the following outcomes:

1. Explain key legal and lending concepts.
2. Explain systems for financing real estate in California.
3. Explain key legal and practical considerations involved in real estate financing.

5. SPECIFIC INSTRUCTIONAL OBJECTIVES:

Upon successful completion of this course, a student will be able to:

1. Explain key legal and practical concepts about money, banking, lending, and credit including their historical development to the present day.
2. Explain key legal systems of real estate financing in California.
3. Explain major financial vehicles (types of loans) for California residential financing.
4. Explain legal and financial considerations involved in real estate financing from the lender's and borrower's perspectives.
5. Explain legal and financial elements of the major government assisted home financing programs.
6. Examine careers in real estate financing.
7. Identify issues and trends relating to the law, practice, and political economics of real estate financing.

6. COURSE CONTENT:

Lecture Content:

This course discusses a spectrum of real estate finance-related topics selected from subjects like these:

1. What is legal money?
2. History and types of money
3. What is credit?
4. History of banking and credit, lending
5. The secondary money market and how money and credit get into the retail real estate lending marketplace
6. Federal government involvements (such as lending laws and regulations, monetary policy and the Federal Reserve System, fiscal policy and Congress, various governmental guarantee or insurance programs, some direct taxpayer subsidies, etc.)
7. Costs of funds, short and longer term markets and indexes and their relevance to financing real estate
8. Legal types of real estate financing systems in California (mortgages, the California trust deed system of finance, land contracts of sale/installment sales contracts, with an emphasis on the California trust deed system)
9. The residential purchase financing/loan application in California and its lawful review and evaluation
10. Institutional lenders, banks et al (and what do banks do?)
11. Non-institutional lenders (what do they do differently?)
12. California Real Property Loan Law
13. ARMs: "adjustable rate mortgages" and other esoteric financing creatures and features (and some of their legal and practical foibles)
14. Conventional loans, conforming and otherwise

15. Government- backed financing schemes (such as FHA, VA, CalVet, CHFA)
 16. Qualifying the property: appraisal and underwriting
 17. Qualifying the borrower: legal consideration of income & long term debt, assets
 18. Qualifying the borrower: credit-worthiness
 19. Credit bureaus, credit scoring, and ideas how to improve a credit score to better qualify for a loan (or a better loan on better terms)
 20. Qualifying the title (appraisal, state of property title)
 21. Processing, closing, and servicing real estate loans
 22. Repayment defaults and lawful “foreclosures,” key legal features of the California Trustees' Sales process
 23. Trends and issues in financing: the future of real estate financing in a rapidly-changing legal, regulatory, and economics environment
 24. Some career paths, opportunities in real estate financing
- As time permits we may include additional germane topics, such as:
25. Construction loans
 26. Creative financing techniques and some legal and practical difficulties they've encountered
 27. Introduction to financing investment properties
 28. Reverse mortgages (“living off your house”)

7. REPRESENTATIVE METHODS OF INSTRUCTION:

Typical methods of instruction may include:

- A. Lecture
- B. Discussion
- C. Guest Speakers

8. REPRESENTATIVE ASSIGNMENTS

Representative assignments in this course may include, but are not limited to the following:

Writing Assignments:

Homework, which may include quizzes, to help students identify any study needs and to reinforce their learning.

Reading Assignments:

Reading assignments from text and other supplemental materials to help students prepare for and/or reinforce course topics.

9. REPRESENTATIVE METHODS OF EVALUATION

Representative methods of evaluation may include:

- A. Class Participation
- B. Quizzes
- C. Written examination

10. REPRESENTATIVE TEXT(S):

Possible textbooks include:

- A. Fesler, John, and Brady. *California Real Estate Finance*, 10th ed. OnCourse Learning Publisher, 2016

Origination Date: November 2021

Curriculum Committee Approval Date: December 2021

Effective Term: Fall 2022

Course Originator: Peter von Bleichert