

**EL CAMINO COLLEGE
COURSE OUTLINE OF RECORD**

I. COURSE DESCRIPTION

Course Title and Number: Real Estate 14A

Descriptive Title: Real Estate Finance I

Discipline: Real Estate Division: Business

Hours Lecture: 3 Hours Laboratory: 0 Course Units: 3

Weeks: 18 X 9 _____ 6 _____ Other _____

Grading Method: Letter X CR/NCR _____ Both _____ No Grade _____

Associate Degree Credit X Non-Degree Credit _____ Non-Credit _____

Transfer CSU: No _____ Yes X Effective Date: prior to 7/92

Transfer UC: No X Yes _____ UC Approval Date: _____
Pending _____

Prerequisite, Corequisite, Recommended Preparation, Enrollment Limitation (Specify):

Recommended Preparation: Real Estate 11 OR concurrent enrollment OR California Department of Real Estate (DRE) license and Business 15.

Catalog Description:

This course provides instruction on the various aspects of finance, including fixed and variable rate loans, conventional and government financing programs, and creative financing options. Students will calculate unpaid loan balance, interest, and qualifying ratios.

Note: The California Department of Real Estate (DRE) has approved this course for the salesperson conditional license requirement for one of the two courses to be completed within 18 months of licensure, in addition to the required Real Estate Principles course. The California DRE requires broker license applicants to successfully complete this statutorily required course. The California DRE has approved this course for 45 hours of continuing education (C/E) credit for broker and salesperson license renewal. The California Office of Real Estate Appraisal (OREA) has approved this course for 51 hours of continuing education (C/E) credit for license renewal provided the student has 90% attendance and passes a closed-book final exam.

Originator: Frank Fowler Submittal Date: 1/5/91

BOARD APPROVAL DATE: _____

Reviewed and/or Revised by:

Donna Grogan Date 12/21/91

Donna Grogan Date 11/25/94

Donna Grogan Date 9/1/97

CCC Form 1, 8/97

II. COURSE OBJECTIVES AND METHODS OF EVALUATION

- A. Course objectives (List the major objectives stated as student outcomes in behaviorally measurable terms.)
1. The student will demonstrate knowledge of how to use real estate finance calculations, including, but not limited to the following examples:
 - a. Use amortization tables for loan payoff balance, loan payments and discount points using the Realty Bluebook.
 - b. Use financial calculator to compute data, such as the HP, Texas Instrument, or Real Estate Master.
 - c. Calculate capitalization rate, points, discounts, yields, qualification ratios and fees.
 2. The student will demonstrate how to identify and describe:
 - a. Features of financial instruments.
 - b. Loan types and their features.
 - c. The loan alternatives.
 - d. The loan process.
 3. The student will demonstrate the ability to :
 - a. Outline the aspects of the secondary money market
 - b. Analyze alternatives for a turned-down loan package
 - c. Explain institutional and non-institutional lender criteria.

B. Methods of Evaluation - **Associate Degree Credit Course**

Students in this course will be graded, at minimum, in at least one of the following four categories. Please check the appropriate responses. The course must have a minimum of one response in category 1, 2, or 3.

1. Substantial writing assignments, including:

<input type="checkbox"/> essay exam(s)	<input type="checkbox"/> reading report(s)
<input checked="" type="checkbox"/> written homework	<input type="checkbox"/> laboratory report(s)
<input type="checkbox"/> term or other paper(s)	<input type="checkbox"/> other (specify)

Substantial writing assignments are inappropriate for this degree applicable course because:

- The course is primarily computational in nature
 The course primarily involves skill demonstrations or problem solving.

2. Computational or non-computational problem-solving demonstrations, including:

<input checked="" type="checkbox"/> exam	<input checked="" type="checkbox"/> homework problems
<input type="checkbox"/> laboratory reports(s)	<input type="checkbox"/> field work
<input checked="" type="checkbox"/> quizzes	<input type="checkbox"/> other (specify)
3. Skill demonstrations, including:

<input type="checkbox"/> class performance(s)	<input type="checkbox"/> field work
<input type="checkbox"/> performance exam(s)	<input type="checkbox"/> other (specify)

4. Objective examinations, including:

<input checked="" type="checkbox"/> multiple choice	<input checked="" type="checkbox"/> true/false
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completion
 matching items

other (specify) fill-in-the blanks

C. Methods of Evaluation - **Non-Degree Credit Course**

Students will be graded, at minimum, in at least one of the following four categories. Please check the appropriate responses. The course must have a minimum of one response in category 1, 2, or 3.

1. Reading and writing assignments, including:

essay exam(s) reading report(s)
 written homework laboratory report(s)
 term or other paper(s) other (specify)

2. Computational or non-computational problem-solving demonstrations, including:

exam homework problems
 laboratory reports(s) field work
 quizzes other (specify)

3. Skill demonstrations, including:

class performance(s) field work
 performance exam(s) other (specify)

4. Objective examinations, including:

multiple choice true/false
 completion other (specify)
 matching items

D. Methods of Evaluation - **Non-Credit Course**

Indicate methods used for determining whether stated objectives have been met.

III. OUTLINE OF SUBJECT MATTER

The outline of topics should be detailed enough to enable an instructor to determine the major areas of knowledge and activities that should be cover so that the course may have consistency from instructor to instructor and semester to semester.

<u>Approximate Time</u> (Allotted in Weeks)	<u>Major Topics</u>
3 hours	Why real estate finance?
3 hours	Who are the institutional lenders?
3 hours	Who are the non-institutional lenders?
3 hours	Alternative mortgage instruments: What are they?
3 hours	What are conventional loans?
3 hours	What are government-backed loans?
3 hours	How do points, discounts operate in the secondary market?
3 hours	What role does "Qualifying the property" play in loan underwriting?
3 hours	What role does "Qualifying the borrower" play in loan underwriting?
3 hours	How do processing, closing and servicing loans take place?
3 hours	How do foreclosures and other lending problems fit into real estate finance?
3 hours	Who are the major players in construction financing?
3 hours	How can I simplify mathematics of real estate finance?
3 hours	What are some creative financing approaches?
3 hours	How does one finance small investment properties?
3 hours`	<u>Realty Blue Book</u> and financial calculations.
4 hours	Review for final - - review math and calculator work.
2 hours	Final examination.

IV. READING AND WRITING ASSIGNMENTS OR, IF MORE APPROPRIATE, ASSIGNMENTS REQUIRING COMPUTATION, PROBLEM-SOLVING, OR SKILL DEMONSTRATION

Three hours of work per week, including class time, are required for each unit of credit.

A. Provide a representative example of an assignment.

The student will calculate the buyer's financial costs for a HUD/RESPA financial disclosure sheet to estimate the buyer's proposed closing costs.

B. Two hours work outside of class are required for each hour of lecture or equivalent. Each student in this course will be required to perform the following outside of regular class time:

- Study
- Answer questions
- Skill practice
- Required reading
- Problem solving activity or exercise
- Written work (essays/compositions/report/analysis/research)
- Journal (reaction and evaluation of class, done on a continuing basis throughout the semester)
- Observation of or participation in an activity related to course content (e.g. play, museum, concert, debate, meeting)
- Course is lab only - minimum required hours satisfied by scheduled lab time
- Other (specify)

V. COLLEGE-LEVEL CRITICAL THINKING ASSIGNMENTS

Cite a minimum of two specific assignments that demonstrate college-level critical thinking. (Required for degree applicable courses only.)

1. The student will demonstrate the ability to take a buyer who is turned down for a loan qualification and show how the loan can be resubmitted to a lender with approval by changing the loan package so that the buyer would qualify favorably.
2. The student will demonstrate the ability to take a prospective purchaser and calculate sheets for VA, FHA, and conventional loan ratios to determine the maximum loan amount for which he or she would qualify.

VI. PLANNED INSTRUCTIONAL ACTIVITIES

(e.g., lecture, media, field trips)

1. Lecture and note taking.
2. Videotape presentation on loan types and qualifications.
3. Weekly reading from textbook and review of fill-in-the blanks for student study guide.
4. Group dynamics from completion of financial calculation problems in study groups determined by type of calculator (i.e. : HP, Texas Instrument, etc.)

VII. APPROPRIATE TEXTS AND MATERIALS

For degree applicable courses the adopted texts and/or educational materials have been certified to be primarily college level:

YES x NO

- A. Required Texts (title, author, publisher, date)
 If multiple selection is offered, only representative texts need be listed.*

California Real Estate Finance, Bond, Gavello, Young, Prentice Hall Publishing, New Jersey, newest edition.

California Real Estate Finance - Student Study Guide, California Community Colleges Real Estate Education Center, Pirates Bookstore, Modesto, newest edition.

- B. Required Supplementary Readings

- C. Other Required Materials

Realty Bluebook, newest edition, Dearborn Publishing, Chicago.

Real Estate or Financial Calculator, such as HP 12C, Texas Instrument Business Analysis II Plus, Real Estate Master.

Real Estate Project, Grogan, newest edition.

Computer search for loan programs, rates, etc. using Internet or similar.

*A complete list of required and recommended materials is maintained in the Division office.

VIII. PREREQUISITES AND ENROLLMENT LIMITATIONS

A. _____ PREREQUISITE _____ COREQUISITE

1. Indicate Type:

_____ Standard Prerequisite _____ Sequential _____ Health and Safety

_____ Computational/
Communication Skills

2. Standard Requisite:

Identify three UC/CSU campuses that offer the equivalent pre/corequisite course with the equivalent target course and list the number and title of each.

University Name: _____ Catalog Year _____

Equivalent Target Course: _____

Equivalent Requisite Course: _____

University Name: _____ Catalog Year _____

Equivalent Target Course: _____

Equivalent Requisite Course: _____

University Name: _____ Catalog Year _____

Equivalent Target Course: _____

Equivalent Requisite Course: _____

3. Entrance Skills/Knowledge:

List the **required** skills and/or knowledge with out which a student would be **highly unlikely to receive a grade of A, B, C, or Credit** (or for Health and Safety, would **endanger self or others**) in the Target Course.

a.

b.

c.

(Add additional Skills/Knowledge as needed.)

B. ENROLLMENT LIMITATIONS

1. Indicate the category which describes the Enrollment Limitation for this course.

- Band/Orchestra
- Theater
- Speech
- Chorus
- Journalism
- Dance
- Intercollegiate Athletics
- Honors Course
- Blocks of Courses
- Other (Specify)

2. List Certificate and/or Degree requirements that are met by this course:

3. List all other El Camino College courses satisfying the requirements listed in Section B.(2.):