El Camino College
COURSE OUTLINE OF RECORD – Official

Course Acronym:	RE
Course Number:	31
Descriptive Title:	Mortgage Loan Brokering and Lending
Division:	Business
Department:	Real Estate
Course Disciplines:	Real Estate
Catalog Description:	This course introduces the student to the principles and operations of the mortgage loan brokering field. The emphasis is on the lending rules for residential property. Students learn lending laws of Regulation Z, usury laws, disclosures, maximum fees and charges, agency relationships, advertising laws, Housing and Urban Development (HUD) and Real Estate Settlement Procedures Act (RESPA) calculations and the loan process. This course partially satisfies the California requirements for the Real Estate Salesperson and California Real Estate Broker licenses. Note: This course is approved by the California Department of Real Estate (DRE) as one of the elective courses for the eight statutorily required college-level courses for the broker license and for the salesperson license, which also requires Real Estate Principles and Real Estate Practice. This course is also approved by the California Bureau of Real Estate Appraisers (BREA) for credit hours towards the appraisal license.
Prerequisite:	
Co-requisite:	
Recommended Preparation:	Real Estate 11 or concurrent enrollment or California Department of Real Estate (DRE) license or equivalent experience AND Business 115
Enrollment Limitation:	
Hours Lecture (per week):	3
Hours Laboratory (per week):	0
Outside Study Hours:	6
Total Course Hours:	54
Course Units:	3
Grading Method:	Letter Grade only
Credit Status:	Credit, degree applicable
Transfer CSU:	Yes
Effective Date:	
Transfer UC:	No
Effective Date:	

General Education: ECC	
Term:	
Other:	
CSU GE:	
Term:	
Other:	
IGETC:	
Term:	
Other:	
CalGETC:	
Term:	
Other:	
Student Learning Outcomes:	**SLO #1 Build Vocabulary** Students will define, describe and differentiate between various real estate standard terminology showing comprehension and knowledge of real estate vocabulary used in the workplace to assist and prepare each student from the diverse student body to gain confidence in their ability to effectively communicate and collaborate in a real estate sales, property management, appraisal, loan or investment to work with both licensees and a diverse public in a typical real estate transaction. **SLO #2 Industry Forms and Documents** Students show the ability to prepare and complete standard real estate industry forms and documents as found in diverse real estate sales, rental, finance, appraisal or investment business transactions. **SLO #3 Mathematical Computations** Students will demonstrate the ability to calculate typical real estate mathematic computational problems as found in diverse real estate business areas of sales, leases, prorations, finance, appraisal, property management, investments and capitalization, land or structure area and taxation.
Course Objectives:	1. Analyze and explain the step-by-step process for processing a loan. 2. Interpret loan brokerage terminology 3. Analyze and solve problems pertaining to basic real estate mathematics. 4. Compare and evaluate the various types of loans available based upon the FMNA 1003 buyer loan application. 5. Compare and contrast the various types of loans which a real property borrower could obtain, then write an analysis, with documentation and mathematical computations, that explains the recommendation for selecting one loan program from among those for which the prospective borrower would qualify. 6. Explain the features of the Department of Veterans Administration (DVA), Federal Housing Administration (FHA), California Department of Veterans Administration (Cal Vet), and conventional loans. 7. Process loan applications and complete loan files including disclosure statements, HUD-1 estimates of closing costs, and other requirement documentation.

	8. Collect and analyze on-line data such as foreclosures, property tax records, and loan information to determine loan eligibility. 9. Demonstrate test-taking skills in preparation for the state license examination. 10. Analyze common real estate loan forms to identify clauses, interpret data, and formulate opinions regarding real property loans. 11. Utilize the three common types of land descriptions to locate a parcel of real property. 12. Differentiate among the roles and responsibilities of a loan correspondent, a mortgage loan banker, and a mortgage loan broker in regard to the manner in which each operates in the real estate lending community. 13. Specify various documents used in title, escrow, appraisal, and the sales contract that the mortgage loan broker would use to coordinate a loan file with the lender's underwriter for loan approval. 14. Evaluate governmental controls and regulations that mandate how a mortgage loan broker is required to do business, including licensing, disclosures, and trust fund handling. 15. Develop a career plan than includes the various career options, working conditions, terms of employment, and advancement opportunities in the field of loan brokering and lending.
Major Topics:	**I. Computerized uses in mortgage brokerage (loan documents and amortization) (3 hours, lecture)** A. Credit reports: types, laws, and reading reports B. Credit score criteria and debt ratios **II. Prequalification, self-employment (6 hours, lecture)** A. Loan application (completion, supporting data, and verifying signatures) B. Loan qualification ratios **III. Escrow (3 hours, lecture)** A. Certified instructions B. Amendments, recordation, and closing C. Estimated buyer closing cost statements **IV. Housing and Urban Development (HUD) form (3 hours, lecture)** A. Closing Disclosure and Loan Estimate B. TILA-RESPA Integrated Disclosures (TRID) C. Closing cost calculation, prorations, APR, comparing loans: ratios (loan type, front-end, back-end, and loan type) **V. Lenders (6 hours, lecture)** A. Lender relationship cultivation B. Wholesale rates and commissions, and portfolio lender) **VI. Legal aspects (3 hours, lecture)** A. Usury laws, regulation Z, advertising disclosures, agency

	B. Loan broker law maximum loan fees and costs, referral fees, and commissions) **VII. Loan documents (6 hours, lecture)** A. Loan approval, expiration signature, funding B. Loan types (jumbo, conforming, and rate sheets) **VIII. Loan packages and transactions (3 hours, lecture)** A. Yield calculation B. Discounts C. Transfer forms **IX. Secondary money market (3 hours, lecture)** A. Portfolio lenders B. Multiple lenders C. Speculation **X. Money sources (6 hours, lecture)** A. Private lenders B. Paper lenders **XI. Problem solving (4 hours, lecture)** A. Rate increases, bad credit, and document error B. Problems (bankruptcy and foreclosure) **XII. Working conditions (4 hours, lecture)** A. License laws B. Work ethics C. Independent contractors **XIII. Underwriting guidelines (4 hours, lecture)** A. Broker-controlled funds B. Insurance limitations C. Qualifications
Total Lecture Hours:	54
Total Laboratory Hours:	0
Total Hours:	54
A.1. Primary Methods of Evaluation (Part 1 - CCN courses only):	

A.2. Primary Method of Evaluation (Part 2 - all courses; choose one):	2) Problem solving demonstrations (computational or non-computational)
Typical Assignment Using Primary Method of Evaluation:	Given a copy of a note secured by real property, calculate the rate of return, or yield, for the note. Determine the price to pay for the note to receive the effective rate desired. Present the data in a column format for comparison of each item.
Critical Thinking Assignment 1:	Given the loan amount and interest rate, calculate FHA, DVA, Cal Vet, and conventional loans to determine monthly payment, down payment, mortgage insurance (PMI), and total costs, and select the one loan that you would recommend for a borrower. Present the data in a column format for comparison of each item.
Critical Thinking Assignment 2:	Given a FNMA (Fannie Mae) 1003 loan application and a credit report, prepare a written request to the broker with your recommendations to explain how to handle any slow payment or derogatory credit to obtain approval to calculate debt ratio and advise a client on choices available for obtaining a real property loan.
Other Evaluation Methods:	Homework Problems, Multiple Choice, Objective Exam, Quizzes, True/False, Written Homework
Instructional Methods:	Discussion, Group Activities, Guest Speakers, Lecture, Multimedia presentations
If other:	
Work Outside of Class:	Problem solving activity, Required reading, Study
If Other:	
Up-To-Date Representative Texts:	Walt Huber and Levin P. Messick. Real Estate Finance. 9th ed. Educational Textbook Company, 2023.
Alternative Texts:	
Required Supplementary Readings:	
Other Required Materials:	
Requisite:	
Category:	
Requisite course(s): List both prerequisites and corequisites in this box.	
Requisite and Matching skill(s):Bold the requisite skill. List the corresponding course objective under each skill(s).	
Requisite Skill:	
Requisite Skill and Matching Skill(s): Bold the requisite skill(s). If applicable	
Requisite course:	Real Estate-11 AND Business-15

Requisite and Matching skill(s):Bold the requisite skill. List the corresponding course objective under each skill(s).	**Demonstrate an understanding of how real estate property is appraised.** RE 11 - Differentiate among the three methods of appraisal. **Demonstrate the ability to calculate principal, interest, amortization and annual percentage rate for real estate loans.** BUS 15 - Calculate principal, interest, payments, amortizations, annual percentage rate (APR) for real estate installment loans and credit card transactions.
Requisite Skill:	California Department of Real Estate (DRE) license or equivalent experience
Requisite Skill and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s). If applicable	Having attained a license or the necessary experience in real estate principles is recommended in order to be successful in this course.
Enrollment Limitations and Category:	
Enrollment Limitations Impact:	
Course Created by:	Donna Grogan
Date:	11/01/1993
Original Board Approval Date:	02/22/1994
Last Reviewed and/or Revised by:	John Yeressian
Date:	10/03/2025
Last Board Approval Date:	01/21/2026
Effective Term:	FA 2026