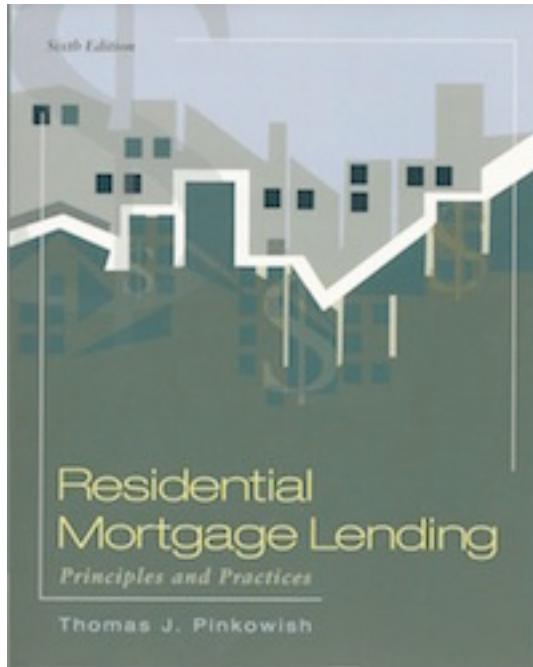




REA 282 Syllabus



Syllabus

REA 282 Real Estate Finance

Mesa Community College Online Campus

Semester: Spring 2020

Section Number: 25200

Professor Nori Muster

norimuster@gmail.com

(480) 275-7889

Mesa Community College, c/o Business Department

1833 West Southern Avenue, Mesa, Arizona 85202

What you need to complete this class . . .

This syllabus contains all the instructions and information for REA 282, Real Estate Finance. This class is offered through the online real estate program at Mesa Community College: Mesacc.edu, Southern & Dobson campus, 1833 West Southern Avenue, Mesa, Arizona 85202. You can find additional information at the instructor's website: <http://classes.norimuster.com/>

TEXTBOOK: *Residential Mortgage Lending: Principles and Practices*, by Thomas J. Pinkowish, 6th Edition, ISBN 0324784643, and is available at the student bookstore. Many students buy their books online. You can find links here: <http://classes.norimuster.com/textbooks.html>

You will use your textbook to take this class. The introductory assignment is to speed-read the book, answer a list of questions for the instructor, and turn it in. The overall structure of the class is: complete the introductory assignment, textbook assignments (with three deadlines), and the final exam.

Grading . . .

All assignments are pass-fail (complete-incomplete). If you turn in the assignments and pass the final, you get an A. If you do not pass the final, I will contact you to discuss the material. You can then re-work your final until you pass. If assignments are missing, you will get a B, C, D, or F, respectively. I dislike giving bad grades, but must follow the established grading policies of the MCC Business Department.

All work for this class is open-book. Although you can use your textbook and other resources, please do not plagiarize, do not "copy and paste." Do your own work, and do not share your work with other students.

Speed reading instructions for this class . . .

When your textbook arrives, hold it in your hands, and notice how heavy it is. Open it on your desk to the middle and crease it. This may gently crack the spine. Flip through to the end, gently cracking it every few chapters; do the same for the first half. This is how you literally crack a book. This helps break in the book so the pages will wear evenly. You can skip this step if it is a used book, or e-book.

Take an hour to go through the entire book. Start on page one and go through the whole book. Look at every page. Notice the page layouts, the graphics, and the breaker heads. Get used to the book. Commit the overall lay of the book to your subconscious memory.

Next, go back to the table of contents and study it for ten or twenty minutes. This will help

you grasp the full spectrum of what the book covers. In academic books, studying the table of contents is the foundation of speed reading.

To digest a chapter at a time for your assignments, first flip through and look at each page in the chapter. Spend a full minute scanning each page. After you look at each page, spend the rest of the session reading the chapter like it was a magazine. Page through it and look for topics you find interesting; read the most relevant sections in full.

Introductory assignment . . .

After you speed-read the textbook, please fill this out and turn it in.

Your name **A:**

Age group **A:**

After reviewing the textbook, please explain how much of this material is new to you. **A:**

Have you worked in real estate before? If so, explain. **A:**

What is your goal in taking this class? **A:**

What is your goal at MCC? **A:**

What is your overall goal for college? **A:**

Textbook assignments . . .

Write one page of notes on each chapter in your textbook, using the following guidelines:

- You can write a page on the theme, “Ten things I learned from this chapter.”
- Or use the "Chapter Problems," "Discussion Points," "Learning Objectives," "Overview," etc., at the end of each chapter. However, do not just answer the questions. Choose a couple of questions to thoroughly study, and write a page for each chapter based on your research.
- Or, write a page about your real-world experiences with topics covered in each chapter.
- Or, use a mixture of these writing options.

I do not grade on grammar or writing style, and I leave it open-ended on what you can write. You can use these suggestions, or simply write about the things you find most interesting in each chapter. Every semester I try to make these instructions more clear. The bottom line is, turn in one page on what you learn from each chapter of the textbook.

Schedule for turning in assignments . . .

Introductory Assignment: Informed Learning Survey DUE LAST DAY OF JANUARY

Textbook Part 1: Chapters 1-6 (pp. 1-179) DUE LAST DAY OF FEBRUARY

Textbook Part 2: Chapters 7-12 (pp. 181-397) DUE LAST DAY OF MARCH

Textbook Part 3: Chapters 13-18 (pp. 401-577) DUE LAST DAY OF APRIL

Final Exam (below): DUE FINALS WEEK MAY 4-7

Turn your work in through Canvas, Canvas messenger, or email. Keep a copy on your computer. If you complete two or more chapters per week, and aim for the deadline at the end of each month, you will keep up with the class.

Most students prefer to work according to the schedule. However, if you want to set up an alternate schedule, or something comes up to prevent you from meeting a deadline, I can grant extensions. Contact me for permission.

How to contact the instructor . . .

PLEASE CONTACT ME if you think you might be late with an assignment, or if you want to discuss any of the concepts you're studying. I respond within one business day. I am available by email (norimuster@gmail.com), through the Canvas messaging system, and by text or phone (480) 275-7889 (leave a message if you call). I can also meet on campus at the Business Department or Library.

How the instructor will contact you . . .

I will contact you through throughout the semester with Canvas Announcements. To make sure you receive Announcements, log into Canvas. Click your Account tab. Then click Notifications. Scroll down to Announcements and make sure the checkmark (not the x) is highlighted. Also make sure your preferred email address shows up there. If not, you can add an email address. Go to your Account tab, then click Settings. Scroll down to where it says + Email Address. Click that and add your email address. Then go back to Notifications and make sure to highlight the checkmark under your preferred email address.

If you want to be contacted by text, use the Settings page to add your cell number. They will send you a confirmation code. Once you confirm your phone, go back to Notifications and confirm the checkmark is highlighted for Announcements, Cell Number.

I usually write to you several times at the beginning of class, then around the assignment deadlines. If you feel I'm not communicating, you may not be getting the Announcements. To access Announcements on the Canvas website, go to Canvas and click the Courses tab.

Enter the page for this class, then click Announcements. You will see all the Announcements I've sent out since the beginning of the semester.

Final exam . . .

PART I: Economic Meltdown History

Learn the reasons for the housing market bubble-crash

Note: the final is identical for REA 281 and REA 282. If you are in both classes, turn in the same exam in both classes.

When was the peak of the real estate bubble?

Choose one: 1933-1934, 2001-2002, or 2005-2006

When did the US economy crash, driving banks to close, stock markets to crash, and massive foreclosures?

Choose one: July 1991, September 2001, or September 2008

When did the housing market begin to show signs of life again?

Choose one: 1940-1945, 2001-2005, 2011-2013

Deregulation. Explain how each of these laws led to deregulation of the housing market:

1999: Gramm-Leach-Bliley Act

2000: Commodity Futures Modernization Act

2004: SEC further deregulates financial institutions

Click here to read about these laws:

<https://classes.norimuster.com/law/marketcrash.html>

LEARNING AIDS

Keywords for the market bubble-crash:

mortgage backed securities

derivatives

secondary market

credit default swaps

Helpful: watch The Big Short (2015 movie) before you take the final exam.

Also watch: Inside Job (2010 movie), Frontline: Inside the Meltdown, Frontline: The Warning (2009 documentaries), and Masters of Money (2012 BBC documentary).

Regarding Glass-Steagall

The government insures banks. It started as a reaction to the Great Depression, when the

banks crashed and people lost their savings accounts. The Glass-Steagall laws, commonly known as "Glass-Steagall," allowed the taxpayers to insure individual depositors. When they say "breaking Glass-Steagall," it means the banks and their legislators managed to force taxpayers to insure ALL investments FDIC insured banks made, including risky investments like mortgage backed securities where all the loans are bad, or default swaps insurance. When people discuss Glass-Steagall, it's code for the need to limit the type of investments taxpayers must insure. Most people believe the taxpayers should insure individuals, but the too-big-to-fail bankers should insure themselves. If Glass-Steagall is reinstated and a bank fails, FDIC would reimburse up to \$250,000 per depositor. The bank executives could also be reimbursed if they have savings accounts, but other losses would not be insured.

The Gramm-Leach Bliley Act is one of the Acts that receives significant blame for the mortgage crisis. It allowed holding companies to own commercial banks, investment banks, and insurance companies - with the full faith and credit of the United States federal government to back them up. This made lenders reckless and greedy, thinking they could make all the bad loans they wanted, and be reimbursed if things go wrong.

In learning why the 2008 crash happened, maybe we can prevent another one. George Santayana said, "Those who cannot remember the past are condemned to repeat it." Please write a page on your understanding of why the market-bubble and crash happened.

PART II: Positive Thinking in Real Estate

If you plan to go into a profession where you will be trusted with fiduciary duty, it is good to know yourself. Part II of the final is an exercise for looking at values. You will turn in one page based on the issues at the end.

Cynicism: You may hear people say things like, "Real estate school! You will forget everything as soon as you pass the exam!" Actually that is false propaganda, probably to convince people to quickly memorize how many feet in a mile just to pass the exam. Real estate school teaches us the laws of real estate. That's a great thing to know, and remember! Even if you can't remember how many feet in a mile (5,280). My advice is to hit the book, learn the material, and build yourself a good foundation for a career. Knowledge is power, and in the field of real estate finance, knowledge gives you the power to make a good living, while you keep your license and avoid being sued, fined, or censured.

Ethics: Ethics are common courtesies that may only be implied, or written in a pledge or code, but not specifically written into law. Ethical and honest people follow a set of personal ethical standards in addition to the laws.

Consequences: Economics is a study in ecology. Anything you do in one area affects the whole system. The world of real estate is controlled by laws and ethics. When somebody comes along and skirts the law, a civil lawsuit or criminal indictment may ensue, and the mechanisms of justice begin to answer the injustice. It can take a long time.

Poor ethics can establish bad neighbor relationships that taint a career, preventing the full abundance that can come to you by developing contacts and a good reputation. Reputations develop over years, and good friends in business are one of the rewards.

General Categories of Unethical Behavior:

- Stealing
- Buying influence or engaging in a conflict of interest
- Hiding important information
- Lying
- Spreading slanderous information
- Giving or allowing false impressions
- Taking unfair advantage
- Personal decadence
- Interpersonal abuse
- Violating rules
- Condoning unethical actions
- Permitting systemic abuse
- Rationalizing ethical dilemmas

Risk: Real estate finance is volatile business, with a recent history of abuse. Learning the rules will reduce your personal risk. You can't always see what is coming, but knowing what you are doing will increase your chances of survival.

Rich: We don't need to make millions a year to feel rich. Whatever money we earn in business, if we live within our means, and have enough to pay all the bills, half of life's problems are solved. That's a good start.

Common Rationalizations:

- "Everybody else does it."
- "If we don't do it, someone else will."
- "That is the way it has always been done."
- "We will wait until the lawyers tell us it is wrong."
- "It does not really hurt anyone."
- "The system is unfair."
- "Because we can."
- "Might makes right."
- "You can do anything for god."
- "Business as usual."
- "That's politics."

Dishonest language says nothing about "the system," but it does say something about the person who uses such language. Judges do not take kindly to rationalizations.

Please turn in one page based on these ideas:

How you feel when you notice people acting unethically, dishonestly, or relying on rationalizations like those listed above?

What could people do to make society more ethical and cooperative?

What could we do to treat all Americans equally, and all treat each other better?

I'm interested in your ideas.

So far nobody has solved these problems!

How would you do it?

Informed learning evaluation . . .

Please complete this informed learning survey and turn it in with the final to help the instructor improve the class in future semesters.

Did you feel that this class took about the right amount of work, too much work, or too little? **A:**

Do you feel that you learned the material (or got a good review)? **A:**

Do you feel that you accomplished your goal in taking this class? **A:**

If you could change something about the class, or give the instructor constructive feedback, what would it be? **A:**



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The fine print . . .

Instructor info.: Professor Nori Muster norimuster@gmail.com (480) 275-7889
 Yours truly (Professor Nori Muster) will be your guide through this class. My background is in real estate, writing, teaching, and counseling. I posted my bio to the Canvas system that explains more about me: <http://norimuster.com/design/condorenovation2009-2014.html>

Textbook:

Residential Mortgage Lending: Principles and Practices, by Thomas J. Pinkowish, 6th Edition, ISBN 0324784643, and is available at the student bookstore.

Work Load:

The course is based on a hefty textbook, with a lot of ground to cover. It should work out to the same amount of time you would spend in a classroom, if this were a bricks and mortar class. Taking the class online allows you to work on your computer, according to your own schedule, and develop your learning skills and powers of concentration as you learn.

You may turn in assignments through Canvas, by email (norimuster@gmail.com), by dropping them off at the MCC Business Department, and notifying the instructor, or through the US Postal Service (to: Nori Muster, P.O. Box 41750, Mesa, AZ 85274). For study guides and information, go to <http://classes.norimuster.com/>

MCCCD Official Course Competencies

Description: Study of lending institutions, including banks, savings and loans, conventional loans, Federal Housing Administration (FHA), Veterans Administration (VA) for residential, commercial and industrial property. Prerequisites: REA179 or permission of department head John Beshk - john.beshk@mesacc.edu

1. Trace the historical development of real estate financing. (I)
2. List and describe the primary sources of loans. (II)
3. Describe the secondary money market. (II)
4. Compare FHA, VA and conventional loans. (III)
5. Explain how sellers can offer financing to buyers. (IV)
6. Contrast construction, development, bridge, and permanent financing. (V)
7. Describe commercial and investment lending practices. (VI)
8. Identify federal and state agencies that regulate lenders. (VII)
9. Explain how interest rates are influenced by the Federal Reserve Bank board. (VII, VIII)
10. Identify and explain the documents used in real estate. (IX)
11. Describe the foreclosure processes in Arizona, and define the rights to a deficiency suit. (X)
12. Describe the loan application process including the qualification of the borrower and the property. (XI)
13. List the protected parties in the equal credit opportunity act. (XII)
14. Describe the disclosure requirements of the truth in lending act. (XIII)
15. Describe the loan settlement requirements under RESPA. (XIV)
16. List the income tax considerations for deductions of points, interest and explain how a gain on sale is taxed. (XV)

In other words, we will learn the history of real estate finance, and all the laws and requirements for real estate finance now.

Required Technology

You will need a computer with an Internet connection and all the modern software to operate the programs. If your computer is out of date or breaks down during the course, you will have to make alternative arrangements.

Tech Support

You can ask the instructor tech support questions, but anything too complicated may have to go to the MCC techs.

Get started online learning: <http://mesacc.edu/elearning/get-started>

MCC Distance Learning Website: <http://www.mesacc.edu/eLearning/>

Distance Learning tutorials: <http://ctl.mesacc.edu/resources/canvas/canvas-tutorials/>

Mesa College Help Center tech support line: (480) 461-7217

MCC Disabilities Resources and Services: (480) 461-7447

MCC College Handbook <http://www.mesacc.edu/students/publications>

MCC Early Alert Referral System (EARS): <http://www.mesacc.edu/students/ears>

Special Instructions for Mac Users

This class was built on a MacBook, so everything should work fine. To read the files, you will need MS Word or Open Office. To download Open Office free, go to: <http://www.openoffice.org/>

The MCC website will download files to your desktop. Open the file, read it, and follow any instructions. This class was tested on an iPad and seemed to work fine, no Open Office needed. If you are using a Mac and experience any technical problems, contact the instructor for tech support.

Continuing Education

This class qualifies for eighteen units of real estate agent continuing education. Enter "C7657" in the AZDRE online education website when the class ends. The class dates must fall within your renewal period to qualify. You may need to call AZDRE to submit the course for credit. Contact the instructor if any questions.

Code of Conduct

Academic Integrity

Student in this course are expected to adhere to the Academic Dishonesty Policy as explained in detail in the Mesa Community College Handbook available at: <http://www.mesacc.edu/students/publications>

Netiquette

Netiquette refers to the rules of behavior while on the Internet. When interacting within the online course environment, please follow the below guidelines. Show professionalism and courtesy in all communications within the course. No one else should be given access to the course or conferences without the instructor's permission.

Do not use the words or text from others without acknowledging the source. Humor can easily be misinterpreted within the online environment, please be cautious with the use of humor and use emoticons to help prevent misunderstandings :) ;) etc.

Adhere to the same behavioral standards as you would in a face to face classroom and as is specified in the student handbook.

Avoid typing in all capital letters, for those of us using the Internet frequently, this can seem like you are yelling. Respect other people's time and contribute thoughtful comments and ideas to the discussions rather than simply making statements such as "I agree."

Use correct spelling and grammar. Avoid the use of abbreviations and use spell check within your word processor or within the course to check the spelling of your communications.

Safe Classroom Environment Statement

Disagreement within the classroom does not equal disrespect, you are encouraged to have different points of view, different opinions and values, however, it is required that students monitor their language within

discussions. Racist, sexist, or homophobic language will not be tolerated. Consult the student handbook for college policies regarding these types of behavior.

Learning Enhancement Center:

Many students find that college coursework provides new academic challenges. Students who wish to deepen their understanding of course concepts, extend their skills, and improve their performance in their course(s) are encouraged to use the free tutoring and other support services in the Learning Enhancement Center. The LEC Office is located on the 1st floor of the Elsner Library. Phone: [480.461.7678](tel:480.461.7678)

Web: www.mesacc.edu/tutoring

Writing Center:

The Writing Center provides one-on-one appointments to help students during any phase of the writing process: brainstorming, prewriting, researching, drafting, and revising. The Writing Center is located on the 1st floor of the Elsner Library. Phone: [480.461.7513](tel:480.461.7513).

Web: <https://www.mesacc.edu/departments/english/writing-center>

MCC Early Alert Referral System (EARS)

Mesa Community College is committed to the success of all our students. Numerous campus support services are available throughout your academic journey to assist you in achieving your educational goals. MCC has adopted an Early Alert Referral System (EARS) as part of a student success initiative to aid students in their educational pursuits. Faculty and Staff participate by alerting and referring students to campus services for added support. Students may receive a follow up call from various campus services as a result of being referred to EARS. Students are encouraged to participate, but these services are optional. Early Alert Web Page with Campus Resource Information can be located at: <http://www.mesacc.edu/students/ears> or at the Early Alert selection at the mymcc link from MCC's home page.

Special Needs

To ensure equal access, all required course materials provided in web links are expected to meet AA Standard of Compliance with the Web Content Accessibility Guidelines (WCAG) 2.0. All internal and external course links should be evaluated by the WAVE Web Accessibility Evaluation Tool. Course materials are expected to be in compliance, or an alternative option provided upon the students request.

Students with disabilities must have an equally effective and equivalent educational opportunity as those students without disabilities. Students experiencing difficulty accessing course materials because of a disability are expected to contact the course instructor so that a solution can be found that provides all students equal access to course materials and technology.

Information for Students with Disabilities: If you have a documented disability, including a learning disability, and would like to discuss possible accommodations, please contact the MCC Disabilities Resources and Services Office at 480-461-7447 or email drsfrontdesk@mesacc.edu.

Please contact an advisor at disability services if you have a disability, including a learning disability. They will assist you with appropriate accommodations for you in your classes. The Disabilities Resources and Services office at Mesa Community College can be reached at (480) 461-7447.

Disclaimer

The instructor reserves the right to modify this syllabus due to issues that may arise in the class over the course of the semester.

As your instructor, my job is to help you pass the class. Please contact me if you run into any trouble (480) 275-7889 tele/txt, norimuster@gmail.com or nori.muster@mesacc.edu.