



Course Outline

2026-2027 Catalog

RLS 60 - Real Estate Mortgage Brokerage

Catalog Description

Transfer Status: CSU

Prerequisite: RLS 20 (or concurrent enrollment)

Unit(s): 3.00

Lecture: 51.00 Contact hours/102.00 Out of class hours/153.00 Total hours/3.00 Unit(s)

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Course Description: The course is an introduction to Mortgage Brokerage: how it works and how mortgage brokers can assist home-buyers in finding the right loan. Topics include the Secure and Fair Enforcement (SAFE) Act (signed into law as part of the Housing and Economic Recovery Act (HERA) of 2008) and the Dodd-Frank Act and their impacts on mortgage lending practices and professionals, including the new professional designation of Mortgage Loan Originator (MLO). This course satisfies the California Department of Real Estate (DRE) elective requirement for students taking the Real Estate Salesperson and Broker Exams.

Objectives

Upon successful completion of this course, the student should be able to:

1. Identify federal organizations that are key players in the mortgage marketplace.
2. Describe key components to loans applications, loan packages and closing loan transactions.
3. Construct a sample loan package for review by a broker.
4. Compare and contrast government loans and non-government mortgages.
5. Estimate Federal and State income tax advantages for home owners.
6. Identify and describe mortgage fraud and foreclosure issues, such as falsifying information on mortgage loan applications, mishandled loan modifications and procedural defects in the foreclosure process.
7. Analyze the ethical considerations associated with working within the Mortgage Brokerage business.
8. Explain the provisions of the Secure and Fair Enforcement (SAFE) Act, signed into law as part of the Housing and Economic Recovery Act (HERA) of 2008, including its requirements relating to transparency and full disclosure.

Course Content

Topic Titles / Suggested Time Topic	
<u>Lecture</u>	
<u>Topics</u>	<u>Lec Hrs</u>
The Mortgage Broker	3.00
The Mortgage Marketplace (Including Discussion of Impact of the Secure and Fair Enforcement (SAFE) Act)	4.00
Getting Started as a Loan Agent	3.00
The Primary Mortgage Market	4.00
The Secondary Mortgage Market	4.00
Interviews with the Loan Applicant	4.00
The Loan Application	3.00
Loan Applications Disclosures	4.00
The Art of Packaging a Loan	4.00
Closing the Loan	4.00
Government-Sponsored Financing	4.00
Tax Advantages of Home Ownership	3.00
Property Appraisal and Insurance	3.00
Mortgage Fraud and Foreclosure	4.00
Total Hours:	51.00

Methods of Instruction

- A. Demonstrations
- B. Discussion
- C. Guest Speakers
- D. Homework: Students are required to complete two hours of outside-of-class homework for each hour of lecture
- E. Lecture
- F. Reading Assignments

Methods of Evaluation

- A. Exams/Tests
- B. Papers
- C. Projects
- D. Homework

Examples of Assignments

Reading Assignments

1. Read the text material about the Secure and Fair Enforcement (SAFE) Act, signed into law as part of the Housing and Economic Recovery Act (HERA) of 2008. Identify the purposes of the SAFE Act and the minimum standards it establishes for state licensing and registration of residential Mortgage Loan Originators (MLOs) and be prepared to present what you learned in class.
2. Read the text material about the Dodd-Frank Act, and search for pertinent information online. Prepare for in-class discussion of its impacts on mortgage brokers, including ongoing professional development and certification requirements.

Writing Assignments

1. Interview a mortgage broker, using the interview outline provided. Write a 3-5 page paper detailing your findings.
2. Research, then write a 2-3 page paper about the differences between a mortgage broker and a retail lender. From a borrower's perspective, what are the advantages and disadvantages of each?

Out-of-Class Assignments

1. Complete assigned ratio problems relating to a prospective borrower's income. Present your computations in a spreadsheet, making sure to clearly identify various debts and sources of income, as well as the ratio calculations. You will submit a 1-page grid with 8-10 pages of addenda.
2. Prepare a sample loan package (approximately 65 pages) containing all documentation generated from the client interview through the closure, in the correct stacking order.

Recommended Materials of Instruction

Sirota, D. (2020). California Real Estate Finance. *Dearborn, 10th*. 9781078807906.

Minimum Qualifications

Real Estate

Created/Revised by: Bearden, Kenneth

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