COURSE DESCRIPTION

This course is offered as an elective within the finance curriculum. The course is designed for both those students that are interested in pursuing a career in real estate finance and those that simply seek to broaden their scope of financial concepts and how these concepts are applied in the real world. Whereas a good portion of the class provides text book legal and financial concepts much of the class is applied to actual real estate investments.

The focus of the first half of the class, as well as the mid-term, is on real estate law and residential real estate. After the mid-term the focus turns to commercial real estate. At the very end of the semester student shall have the option of completing a comprehensive real life project utilizing a widely recognized computer software program call ARGUS, or taking the final exam.

I highly encourage all students to take this course. It’s a challenge…..but you learn a lot.

COURSE MATERIALS

LEARNING GOALS AND OBJECTIVES
- This course is designed to help students develop skills and knowledge in the following area(s):

  Detailed time value of money analysis and application, mortgage law and lien priorities, mortgage amortizations, government involvement in the mortgage markets, real estate valuation, mortgage markets, commercial mortgage backed securities, commercial leasing.

  Students who complete this course will demonstrate the following:

  What drives the residential real estate market, Commercial real estate valuations and underwriting, mortgage backed securities and market factors, career opportunities in real estate.
ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (http://academicintegrity.rutgers.edu/files/documents/AI_Policy_2013.pdf). I will strongly enforce this Policy and pursue all violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I shall screen all written assignments through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

ATTENDANCE AND PREPARATION POLICY

- Expect me to attend all class sessions. I expect the same of you. If I am to be absent, my department chair or I will send you notice via email and Blackboard as far in advance as possible. If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death and you seek makeup work, also send an email with full details and supporting documentation.

YOU MUST BRING YOUR TEXT TO EVERY CLASS

- Expect me to arrive on time for each class session. I expect the same of you.
- Expect me to remain for the entirety of each class session. I expect the same of you.
- Expect me to prepare properly for each class session. I expect the same of you. Complete all background reading and assignments. You cannot learn if you are not prepared. The minimum expectation is that for each 1-hour class session, you have prepared by studying for at least twice as many hours.
- Expect me to participate fully in each class session. I expect the same of you. Stay focused and involved. You cannot learn if you are not paying attention.

CLASSROOM CONDUCT -- CELL PHONES ARE NOT ALLOWED IN CLASS

EXAM DATES AND POLICIES – see course schedule attached

GRADING POLICY – see course schedule attached

Warning grade roster: If you do poorly on the mid-term, or are experiencing continued problems with the homework, please make sure we meet and discuss privately.

SUPPORT SERVICES


If you are a military veteran or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. http://veterans.rutgers.edu/
If you are in need of mental health services, please use our readily available services.
[Select for inclusion in syllabus based on course location]
[Rutgers University-Newark Counseling Center: http://counseling.newark.rutgers.edu/]
[Rutgers Counseling and Psychological Services – New Brunswick: http://rhscaps.rutgers.edu/]

If you are in need of physical health services, please use our readily available services.
[Select for inclusion in syllabus based on course location]
[Rutgers Health Services – Newark: http://health.newark.rutgers.edu/]
[Rutgers Health Services – New Brunswick: http://health.rutgers.edu/]

If you are in need of legal services, please use our readily available services: http://rusls.rutgers.edu/

If you are in need of additional academic assistance, please use our readily available services.
[Select for inclusion in syllabus based on course location; undergraduate only]
[Rutgers University-Newark Learning Center: http://www.ncas.rutgers.edu/rlc]
[Rutgers University-Newark Writing Center: http://www.ncas.rutgers.edu/writingcenter]
[Rutgers University-New Brunswick Learning Center: https://rlc.rutgers.edu/]

[Optional items that many faculty include:
- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.
- Students must sign, date, and return a statement declaring that they understand this syllabus.]
# Real Estate Finance and Mortgage Backed Securities

**Professor:** Michael Schonberger  
**ProfessorSchonberger@gmail.com**  
**Office Hours:** 1:30-4PM Wednesday (please make appointment)

---

<table>
<thead>
<tr>
<th>Class #</th>
<th>Date</th>
<th>Chapter</th>
<th>Title/Topic</th>
<th>BB</th>
<th>XS</th>
<th>Reading Hints</th>
<th>Assignment</th>
<th>Assignment</th>
<th>Notes/Case Studies</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21-Jan</td>
<td>none</td>
<td>Class Overview</td>
<td>1</td>
<td>2</td>
<td>Read all</td>
<td>1,4 &amp; 6</td>
<td></td>
<td>Text to every class</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>28-Jan</td>
<td>2</td>
<td>Notes and Mortgage</td>
<td>3</td>
<td>7</td>
<td>as needed</td>
<td>2,9,17,18</td>
<td>1,5,10 &amp; 7</td>
<td>5,6 &amp; 7</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4-Feb</td>
<td>3</td>
<td>Homework Review Chapter 2 &amp; 3</td>
<td>4</td>
<td></td>
<td>skip 26-End</td>
<td>3</td>
<td>10,11,12,15 &amp; 18</td>
<td>Introduce PV,N,I,FV, PMT</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>11-Feb</td>
<td>4</td>
<td>Homework Review Chapter 3 &amp; 4</td>
<td>5</td>
<td></td>
<td>skip 103 to end</td>
<td>6 &amp; 10</td>
<td>7,8,13 &amp; 15</td>
<td>Points &amp; Yield</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>18-Feb</td>
<td>5</td>
<td>Homework Review Chapter 4 &amp; 5</td>
<td>6</td>
<td></td>
<td>Carefully; skip other consideration &amp; Wraps</td>
<td>2 &amp; 9</td>
<td>6,7</td>
<td>Payment Caps &amp; Negative AM</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>25-Feb</td>
<td>6</td>
<td>Homework Review Chapter 5 &amp; 6</td>
<td>7</td>
<td>12</td>
<td>skip Other consideration &amp; Wraps</td>
<td>3,4 &amp; 8</td>
<td>4,5 &amp; 7 &amp; 3a</td>
<td>Cash Equivalents &amp; Buy Downs</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>4-Mar</td>
<td>7</td>
<td>Homework Review Chapter 6 &amp; 7</td>
<td>8</td>
<td></td>
<td>skip 193-198; 209 to end</td>
<td>4</td>
<td>P4 in class</td>
<td>no quantitative on exam</td>
<td>4</td>
</tr>
</tbody>
</table>

**Mid-term exam**

---

| 8       | 11-Mar     |         |                                                 |    |    |            |            |            |                  |   |
| 18-Mar  |           |         |                                                 |    |    |            |            |            |                  |   |

**Spring Break**

---

| 9       | 25-Mar     | 10      | Mid-term Review                                 | 11 | 14-16 | 17 | 318-324; 328 to end | 1,3 & 4 | 3 |
| 10      | 1-Apr      | 12      | Financial Leverage                              | 13 | 18-21 |    | 394 to end | Westgate 7 Worthington | 3 |
| 11      | 8-Apr      | 9       | Leasing, Rents & Markets                        |    | 9    |    | read all | Angus Cartwright | 3 |

---

| 12      | 15-Apr     | 14      | Disposition & Renovation Projects               | 18 | 22-24 |    | 462-475 | 589-599 | 3 |
| 13      | 22-Apr     | 19      | Structuring Real Estate Investments             |    | XS-18 |    |          |          | 3 |

---

**ARGUS Training Day 9AM to 4PM (optional)**

---

| 14      | 29-Apr     | 19      | Secondary Mortgage Market - Pass through        | 20 | 25   |    | Read all | Skip 558-End | 18 |
| 15      |            | 21      | Secondary Mortgage Market - CMO                 |    |      |    |          |          | 18 |
| 16      |            |         | Real Estate Investment Trusts (REITs)           |    |      |    |          |          | 18 |

**Final Exam** or **Final Project (optional)**

---

<table>
<thead>
<tr>
<th>Grading</th>
<th>BB</th>
<th>XS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework</td>
<td>18</td>
<td>XS</td>
</tr>
<tr>
<td>Angus</td>
<td>7</td>
<td>XS</td>
</tr>
<tr>
<td>Mid-term</td>
<td>30</td>
<td>XS</td>
</tr>
<tr>
<td>Final Exam/Project</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Discretion</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

**Extra Assignment:** Bayside or Foreclosure (by permission)

---

All homework assignments must be posted to the blackboard by 5PM on the Tuesday night after the week.