

QF 5208
Real Estate Finance
Fall, 2017

Professor: Dr. Che-Chun Lin
Office: 749 TSMC Bldg.
Phone: 574-2419
e-mail: chclin@mx.nthu.edu.tw
TA: 鄭帆婷 iamvv0612@gmail.com

Textbook Book: Real Estate Finance & Investments (15th edition) by William B. Brueggeman and Jeffrey Fisher

Reference Book: 住宅抵押貸款證券化，林哲群 (2005)，財團法人中華民國證券暨期貨市場發展基金會出版。

Course Descriptions

This course examines the convergence of real estate and the capital markets. It is an advanced course in real estate finance and covers the structure, analysis, and valuation of a variety of real estate securities including: residential mortgage backed securities (MBS), collateralized mortgage obligations (CMOs), mortgage servicing rights (MSR), reverse mortgage, and mortgage-related derivatives.

Course Objectives

- To present the risks and returns inherent in real estate finance and real estate investments.
- To examine residential securitized mortgage markets.
- To understand how to value and price highly path-dependent mortgage securities.
- To examine the role of Government Sponsored Enterprises in the residential financing system.

About this Syllabus

This syllabus is our class contract. It clearly states the requirements this class places on both you and me, and I will not change the conditions of this contract during the class. This is done to insure fairness and consistency among all members of the class. By staying in this class you accept the conditions of this contract and agree not to ask me for exceptions to the syllabus.

Conduct and Academic Honesty Policy

I take academic honesty very seriously, and I expect you too. On tests and class assignments you may not benefit from any work not produced by your own intellect.

Grading Policies

There will be two (three) in-class exams and one cumulative final exam. Each test will count for 30% (20%) of your final grade, and the cumulative final will count for 30% of your final grade. In addition, each student is required to work on the assignment if necessary. It will count for the remaining 10% of your final grade. Grades will be curved if necessary.

Exam Format

The exams will be a mixture of short answer, quantitative and essay questions.

Missed Tests

The dates for the tests are firm. Make up exams will not be administered under any circumstances. In the event of absence from an exam due to a University-excused absence, greater weight will be assigned to the final exam. In the event of a missed test, this will count as the exam that you are replacing with your final exam grade. No make-up provision is available for tests missed to oversleeping, lack of preparation, vacation, social events (including weddings), traffic, etc.

Calculators

You will need some kind of calculator for this class. You will not be allowed to use present value tables in this class. Although not mandatory, I recommend using a financial calculator such as the HP 10-B, HP 12-C, or HP-19B II (Texas Instruments, Sharp and *Casio-FC 200* also make inexpensive calculators which are equivalent.) You will be required to solve for yields and internal rates of return, and financial calculators greatly simplify this task. Note that it is your

responsibility to know how your calculator works. I will not spend class time explaining how to use a calculator. You may program into your calculator any formula you wish. You may not, however, enter text into your calculator. I reserve the right to check your calculator for text at any time during a test or exam. If I find text in your calculator, I will, at a minimum, clear the calculator's entire memory.

Tentative Schedules of the Class

The course outline is subject to change. It is the student's responsibility to keep up with any changes I made during the entire period of semester.

Date	Topic
September 13	Introduction of this Class
September 20	Mortgage Legal Issues
September 27	Fixed Rate Mortgage Loans
October 4	Mid-Autumn Festival / Movie – <i>Too Big to Fail / Money Never Sleeps/ The Big Short</i>
October 11	Fixed Rate Mortgage Loans (cont.)
October 18	Adjustable Rate and Variable Rate Mortgages
October 25	Adjustable Rate and Variable Rate Mortgages (cont.)
November 1	Residential Financial Analysis
November 8	Exam I
November 15	Sport Day
November 22	Secondary Mortgage Market: Pass-Through Securities
December 29	Secondary Mortgage Market: Pass-Through Securities
December 6	Secondary Mortgage Market (cont.)
December 13	Exam II
December 20	CMOs and Mortgage Derivatives Securities
December 27	CMOs and Mortgage Derivatives Securities
January 3	Final Exam