

UNL Finance 382
Real Estate Principles
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Study Guide Exam 3

Reading: (Jacobus 11th ed.): chapters 9 through 14 and chapter 8 Land Contracts (pp 131-133)

This study guide may not be all inclusive, there may be questions on the exam that are not covered on this study guide or that would not fully prepare you for the test. It is meant to be a supplement to your preparation for the test and not as a substitute for participating in the classroom lectures, reading the assigned material and any other study resources. Students are well advised to learn and understand (memorize helps too) the key terms and bold words in the text, study the questions at the end of the chapters, and review the presentation notes.

A CALCULATOR IS PERMITTED THOUGH YOU MIGHT NOT NEED IT TO COMPLETE THE EXAM.

1. Land Contract and Seller Financing
 - a. Parties (and who signs)
 - b. Status of Title (legal, equitable, or naked???)
 - c. Document used at satisfaction (and who signs)
 - d. Method of Foreclosure
 - e. Any advantages or disadvantages?
 - f. Other names for taking back paper?
2. Mortgage
 - a. Parties (and who signs)
 - b. Status of Title (legal, equitable, or naked???)
 - c. Document used at satisfaction (and who signs)
 - d. Method of Foreclosure
 - e. Any advantages or disadvantages?
3. Deed of Trust
 - a. Parties (and who signs)
 - b. Status of Title (legal, equitable, or naked???)
 - c. Document used at satisfaction (and who signs)
 - d. Method of Foreclosure
 - e. Any advantages or disadvantages?
4. Promissory Note
 - a. Parties (and who signs)
 - b. Create general lien
 - c. Effect on title (if any)
5. Financing Clauses

- a. Acceleration
- b. Alienation
- c. Pre-payment
- d. Defeasance
- e. Insurance, waste, repair
- f. Taxes
- g. Subordination
- 6. General Financing terms
 - a. Equity
 - b. Maturity date
 - c. Point
 - d. Escrow account or reserve account
 - e. PITI
 - f. MIP and PMIP
 - g. LTV ratio
 - h. Joint and several liability
 - i. Lien priority
 - j. Hypothecation
 - k. Foreclosure methods
 - i. Suit and action
 - ii. Advertisement and sale
 - iii. Deed in lieu
 - l. Blanket mortgage
 - m. Package loan
 - n. Purchase money mortgage
 - o. Term loan
 - p. Amortized loan
 - q. Balloon payment
 - r. Adjustable Rate Mortgages
 - i. Teaser Rate
 - ii. Index
 - iii. Margin
 - iv. Cap
 - v. Advantages and disadvantages
 - s. Negative amortization
 - t. Loan servicing
 - u. Origination costs
 - v. Discount points
 - w. Liquid assets
 - x. Mortgage Insurance
- 7. Cash out lending
 - a. Reverse Annuity Mortgage

- b. Equity Loans
 - c. Cash out Refi
 - d. Sale Lease-back
8. Mortgage Markets
- a. Primary Market
 - i. Savings and Loan
 - ii. Commercial banks
 - iii. Life Insurance companies
 - iv. Mortgage Banker
 - v. Mortgage Broker
 - b. Secondary Market
 - i. Fannie mae
 - ii. Ginnie mae
 - iii. Freddy Mac
9. Truth in Lending (TIL)
- a. Regulation Z
 - b. APR
 - c. Disclosures
 - d. Enacted to protect _____
 - e. Transactions specifically exempt from TIL
 - f. Right of Recision
10. Loan applications
- a. Equal Credit Opportunity protections
 - b. Main considerations
 - i. Job _____
 - ii. Income _____
 - iii. Credit _____
 - c. Other factors including factors which may be considered
11. Role of FHA
- a. MIP
 - b. LTV Ratio
12. Role of VA or DVA (Department of Veteran's Affairs)
- a. CRV
 - b. Certificate of Eligibility
 - c. LTV ratio?