Fin 4713 Final Exam Checklist

The exam consists of 75 Multiple Choice Questions. The first half is primarily descriptive and the second half is primarily multi part problems. Remember, if your percentage score on the final exam is higher than one of your midterm exams, this score will replace your lowest midterm exam score.

Secondary Mortgage Markets

Be familiar with REMIC, MBS, CMBS, MBB, MPT, MPTB, CMO, IO, PO, floater, inverse floater, tranche, PAC, Companion, WAC, Credit Enhancement, Credit Rating, Maturity, PSA, over collateralization, relative risk of various MBS, who bears prepayment risk (15 questions).

Agencies and their functions

Know the purpose of and what each of these does. FHA, FHLMC, FNMA, GNMA,

Terms and Concepts

Federal Truth In Lending – APR, FTLAPR, EAY, Yield to Lender, Effect of points on yield to lender, Types of prepayment penalties, Note, Mortgage, Deed of Trust, Forbearance, Foreclosure, Loan types (FHA, VA, Conventional, Jumbo, Subprime, Conforming), Appraisal Methods, Deeds, Title Insurance, Mortgage Insurance, PMI, Loan Underwriting, Escrow accounts, mortgage broker, mortgage banker, balloon note, recourse, deficiency judgment, LTV, Cap rate, DCR, Cash on Cash, fhaing, redlining, discrimination, ways to measure discrimination, PITI

Quantitative – Problems relating to:

Three problems to expect: FRM, ARM, Commercial Mortgage Analysis (25 points). Other problems that probe your understanding of other topics including GPM, IO (Bullet), Residential and Commercial Qualifying Ratio’s, SAM, PLAM, Residential Mortgage Analysis (about 12 points).