Fin 5413 Final Exam Checklist

The exam consists of 90 Multiple Choice Questions. The first half is primarily descriptive and the second half is primarily multi part problems. If your final exam is better than your midterm exam, additional weight will be put on the final exam in calculating your course grade.

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 on MBS (about 15 questions).

Agencies and their functions

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

Terms and Concepts

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

Quantitative – Problems relating to:

Three problems to expect: FRM, ARM, Commercial Mortgage Analysis, (about 35 points) Other problems that probe your understanding of other topics including GPM, CAM, IO (Bullet), SAM, PLAM, Residential and Commercial Qualifying Ratio’s, other Mortgage Analytics (about 12 points).