



# Broward Community College

## Course Outline

STATUS:   A  

COMMON COURSE NUMBER:   BCT 1750  

COURSE TITLE:   Building Construction Financing  

CREDIT HOURS:           2          

**CONTACT HOURS BREAKDOWN:**

Lecture/Discussion           32          

Lab   

Other   

Contact Hours/Week           2          

**CATALOG COURSE DESCRIPTION:**

Prerequisite: None

Corequisite: None

A study of building construction financing and related contract requirements; Topics include construction loans, permanent building mortgages, construction bids and contracts, penalty and incentive provisions, progress payments and retention, escalation provisions, cost extras, performance and bid bonds, company profits, cash flow, and business loans.

General Education Requirements - Associate of Arts Degree, meets Area(s):  
 General Education Requirements - Associate in Science Degree, meets Area(s):

**UNIT TITLES:**

1. History of Finance and Contract for Sale and Purchase of Real Property
2. Debits and Credits, Cash Flow, Cost Extras, and Profits
3. Types of Mortgages and Business Tax Returns
4. Business Loans and Sweat Equity Loans
5. Preparing for Construction Loan: Methods of Obtaining a Construction Loan

## **I. Course Overview:**

Upon successful completion of this course, the students should be able to obtain funds for refinancing, building ventures, property improvement, new construction and have a good understanding of the procedures and possibilities of financing incident to the building construction industry. Students should also be able to make application for and obtain a construction loan designed for their particular project.

## **II. Units:**

### **Unit 1. History of Finance, Contract for Sale and Purchase of Real Property**

#### General Outcome:

1.0 The students should be able to demonstrate the fundamental concepts of finance and purchase of real property for development.

#### Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 1.1 Understand the types of currency, gold, silver, copper, etc., and its evaluation to paper money.
- 1.2 Comprehend the beginning of the banking system in Italy and the evaluation to the present system in this country.
- 1.3 Fully understand how to read and execute Real Property Contracts and its legal consequences.
- 1.4 Define abstracts, Title Policy, escrow, inspections, warranty and quit claim deeds, closing statement, deposits, financing, etc.

## Unit 2. Debits and Credits, Cash Flow, Cost Extras, Profits

### General Outcome:

2.0 The students should be able to demonstrate a proficiency in basic accounting and financial principles relating to the construction business.

### Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 2.1 Define debit and credits in relationship to accounting statements.
- 2.2 Apply cash flow principles in the construction business.
- 2.3 Describe cost extra's in the operation of the construction business.
- 2.4 Understand profits and loss as fundamental in accounting and financial procedures and statements.

### Unit 3. Types of Mortgages, Business Tax Returns

#### General Outcome:

3.0 The students should be able to distinguish between all types of mortgages and understand the execution and responsibility of business tax returns.

#### Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

3.1 Define the difference between Fixed Rate Mortgage, Adjustable Rate Mortgage, Graduated Payment Mortgage, Balloon Mortgage, adjustable-convertible loan, negative amortization.

3.2 Understand how to execute business tax returns and the obligations imposed by law and penalties for noncompliance.

## Unit 4. Business Loans, Sweat Equity Loans

### General Outcome:

- 4.0 The students should be able to comprehend the method of obtaining various business loans as contrasted with personal loans. To apply time and labor as a credit in obtaining a sweat equity loan.

### Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 4.1 Know how to approach lending institutions to obtain business loans and its impact on the construction business.
- 4.2 Apply time, material, labor to obtain credit for the mortgage from the lending institution.

**Unit 5. Preparing for Construction Loan, Methods of Obtaining a Construction Loan**

General Outcome:

5.0 The students should be able to demonstrate a proficiency in the basic preparation of all the elements of preparing and obtaining a construction loan.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

5.1 Understand the techniques of preparing and making application for a construction.

5.2 Describe the step by stem procedure of obtaining a construction loan; the contract, the drawings the inspection, etc.