

Course Title: Distressed Properties

Course Description: Since the turn of the century, real estate has experienced some of the highest highs and lowest lows most of us can remember. In down markets many people are forced into foreclosure or short sale positions. These distressed properties reek havoc on the real estate market and on the general economy.

This course will outline much of what has occurred in recent years in terms of dealing with these properties and tax changes that were made to provide assistance when necessary. The government was forced to get involved when things were at their worse, both in terms of selling HUD foreclosed homes and offering taxpayer relief to the hardest hit.

The course is broken up into four units:

- Introduction to Foreclosures and Short Sales
- Tax Implications of Bankruptcy and Foreclosure
- Federal Assistance Programs
- Federal Tax Liens

Learning Objectives: Please see attached “Course Objectives”

The following will be the means used in assessing whether the Learning Objectives have been met (Pre and post test, Q&A etc.):

Learning objectives are assessed at three different levels throughout the course:

1. Check Understanding questions throughout the course which must be answered correctly to proceed.
2. Unit Quizzes which require a 70% passing rate.
3. A final exam at the end of the course with 5 multiple choice questions per credit hour.

Timed Outline: Please see attached “Course Outline”

Distressed Properties – Course Outline

	<i>Suggested Time (min)</i>
± Welcome	7
o Orientation	2
o Course Description	4
o Course Objectives	1
± Unit I: Introduction to Distressed Properties	41
o Types of Foreclosure	6
o The Second Stage of Foreclosure: Home Auctions	11
o Deals Involving Tax Defaulted Properties	6
o Short Sales	7
o Unit I Review	6
o Unit I Quiz	5
± Unit II: Bankruptcy and Foreclosure	27
o Effect of Filing Bankruptcy on Foreclosure	11
o Qualified Principal Residence Indebtedness	8
o Unit II Review	3
o Unit II Quiz	5
± Unit III: Personal Bankruptcy Provisions	61
o Chapter 13 Bankruptcy	12
o Chapter 13 Bankruptcy - Repayment Planning	11
o Chapter 7 Bankruptcy	9
o Chapter 7 Bankruptcy - Means Test and Exempt Property	10
o Chapter 7 Bankruptcy - Automatic Stays and Discharged Debts	6
o Unit III Review	7
o Unit III Quiz	7
± Unit IV: State and Federal Programs	37
o The HFA Hardest Hit Fund Program	7
o The Emergency Homeowners' Loan Program and SSSPs	7
o HUD Homes and Special Sales Programs	6
o HUD Registered Brokers	8
o Unit IV Review	4
o Unit IV Quiz	5
± Unit V: Federal Tax Liens	53
o Introduction to Federal Tax Liens	8
o Filing of Federal Tax Liens and Due Process	9
o Tax Liens and Property Ownership	9
o Priority of Tax Liens: Specially Protected Competing Interests	11
o Recent Changes to IRS Lien Policies	7
o Unit V Review	4
o Unit V Quiz	5
± Final Exam	13

Distressed Properties – Objectives

Unit 1:

- To understand the foreclosure process
- To differentiate between a Tax Deed and a Tax Lien Sale
- To identify the aspects of a short sale transaction

Unit 2:

- To identify the effect of filing for bankruptcy on foreclosure
- To develop an understanding of qualified principal indebtedness

Unit 3:

- To differentiate between chapter 7 and 13 bankruptcies
- To develop a knowledge of the responsibilities involved with filing for bankruptcy
- To understand the role of a trustee in a bankruptcy filing

Unit 4:

- To understand the tax treatment of disbursements made on a forgivable loan
- To realize the impact of government programs such as EHLP and SSSP
- To recognize how HUD properties are sold

Unit 5:

- To understand how federal tax liens happen and how they affect real property
- To realize how federal tax liens affect state laws
- To gain an understanding of how the recent financial crisis affected adjustments made to IRS lien policies

Distressed Properties – External Resources

Unit 1

Department of Veterans Affairs - Offer to Purchase and Contract of Sale

<http://www.vba.va.gov/pubs/forms/VBA-26-6705-ARE.pdf>

Unit 4

Listing of HUD Homes available for purchase

<http://www.hudhomestore.com/Home/Index.aspx>

HUD FHA-Approved Nonprofit Program Guidelines

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/np/sf_np_guideln

The FHA Resource Center

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/fharesourcectr

The Good Neighbor Next Door Program

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot

NAID Application: Selling Brokers, Nonprofits, And Government Agencies

<http://www.hudhomestore.com/Listing/NaidApplication.aspx?sLanguage=ENGLISH>

Unit 5

Instructions on How to Apply for a Certificate of Discharge of a Federal Tax Lien

<http://www.irs.gov/pub/irs-pdf/p783.pdf>

Collection of Taxes in Community Property States

http://www.irs.gov/irm/part25/irm_25-018-004.html

OFFICIAL CERTIFIED COURSE SUMMARY CERTIFICATE



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Administrative Information

Course Title: Distressed Properties

Course Number: 6146

Certified: 04/15/2015

Expires: 04/15/2018

Status: Approved

Provider: Empire Learning

Address: 910 Grand Ave, Suite 202

San Diego, California 92109

Phone: 858-225-7184

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Course Information

Provider Type: Primary Provider

Delivery Method: Learning Modules - Distance

***Clock Hours:** 4

Final Exam: Yes

† Clock Hour Enforcement Mechanism: No

Proctored Exam: No

Difficulty Rating: Basic

Description: In this course, we will cover foreclosures, short sales, bankruptcies, and tax liens. We will focus on opportunities for the real estate professional as well how bankruptcy, foreclosure, and tax liens can impact real estate transactions.

Course Notes:

Instructors: John Wheeler (CDEI)

Kimberly B. Nash (CDEI)

**Course Approval Information

This course may not be approved in any jurisdiction or the provider has chosen not to include which jurisdictions the course is approved in.

Disclaimers

* Professional reviewers have determined that the amount of content to be presented in this course, as specified in the provider's timed outline, should take the stated time to complete. This certification does not suggest the course will take the hours listed if implemented into a distance education learning system that uses an inferior instructional design. In addition, ARELLO does not guarantee or audit the performance of classroom instructors to ensure the appropriate clock hours of instruction are presented to students.

** Regarding course approval information, the course provider may list here the jurisdictions that have approved this course for professional credit. Information in regard to jurisdictional course approval is not maintained by ARELLO but by course providers. If no jurisdictions appear in the course approval area, the provider may not yet be approved by a regulatory agency to offer the course. Please contact the provider if you have a question in regard to course approval information.

† A "Clock Hour Enforcement Mechanism" is course feature that mandates students spend X amount of time in the course. This mechanism is not required for certification but is required in certain jurisdictions. The absence of a clock hour enforcement mechanism does not compromise certification and the typical student taking the course can still be expected to take the appropriate amount of time to complete the course.