

**Mortgage Bankers Association
CREF Education Committee**

February 6, 2000
Walt Disney World Dolphin Hotel
Meeting Minutes

Committee Representatives in Attendance

Richard Juergens, Jr. Chairman

Committee Members in Attendance

Jud Bernstein

Helen Betts

Michael Conaghan

Daniel Phelan, CMB

Don Schefmeyer, CMB

Dennis Siefers

David Steinman

Jan Sternin

Tom Wratten, CMB

MBA Staff in Attendance

Parker Deal

John Ferber

Adina Holmes

Joyce Kappeler

Karin Van Duyse

The meeting was called to order at 8:00 A.M. by Chairman Richard (Dick) Juergens who greeted committee attendees and initiated participant introductions.

Mr. Juergens' first order of business was a "Call for Volunteers" to assist the MBA in its various CREF/MF educational programs and products. He mentioned his own experience as an instructor at MBA on-site programs and as a "subject matter expert" for some of the distance learning courses. (e.g. Web-based Training Seminars). Mr. Juergens commented that his involvement in MBA's educational programs has been a very rewarding experience for him personally and he highly recommended to those present to volunteer their services.

The next order of business was a report of MBA's CREF/MF educational programs and products. Mr. Juergens then requested MBA education staff to provide updates in three areas: Publications, Distance Learning, and Classroom-Based Programs.

PUBLICATIONS

MBA staff provided attendees with a listing of MBA published books and resale books from national publishing houses. Staff emphasized the increased need for Commercial publications and discussed some of the new, in-process, and potential titles with the committee. The highlights were as follows:

• **New Commercial Titles**

The newly developed *CREF Basics* by Gary Hutto is in its final review and should be available for sale in the next few months.

• **Commercial Titles to be Revised**

Commercial Real Estate Loan Administration is being reviewed by the CREF Loan Asset Committee with a possible release date of Summer 2000.

- **Potential Titles (Author Search)**

Four potential titles were discussed; two of which are in need of volunteer authors.

1. *Loan Closer's Guide for Commercial Mortgages*—Tentative release date: Summer 2000.
2. *A User's Guide to Environmentally Impaired Real Estate*—Tentative release date: Winter 2000.
3. *Commercial Mortgage-Backed Securities*—Author Search
4. *Construction Lending*—Author Search

Staff once again emphasized the "Call for Authors" to help the MBA expand its commercial product line.

One committee member asked how the MBA adds and subtracts from its commercial publications. It was pointed out that this process involves the efforts of the Education Committee, input from MBA members, comments from authors, and the volunteer efforts of MBA's Subject Matter Experts. It was then mentioned that pursuant to the CREF/MF Education Task Force's mission, some of MBA's existing publications (e.g. *Commercial Underwriting*) could be used as texts by those participating universities.

One committee member suggested that the MBA use multiple authors for a single book such as *Commercial Mortgage-Backed Securities* and other topics. Similarly, it was commented that a subcommittee be established to review new books with each member responsible for only a limited number of chapters. It was felt that by sharing the responsibility to author or review a publication, a volunteer's time would be reduced and there would be a greater likelihood of a more timely final product.

DISTANCE LEARNING

MBA staff mentioned that MBA's Distance Learning Programs are offered in three ways: Web-Based Seminars, Web-Based Courses/Lectures, and Correspondence Courses. The training seminars are instructor-led and students may interact with the instructor and the other course attendees. Each seminar lasts for two weeks and students have access to the "virtual campus" 24-hours a day. It was pointed out that there are **six** seminars covering commercial finance topics with each seminar being available twice a year. Briefly, the seminar instructor "logs on" each day for two weeks and responds to student discussion points, questions, and the seminar case studies. Dick Juergens then commented about his involvement as an instructor for one of these seminars and encouraged others to volunteer their services for this type of program. One of the attendees suggested that it might be advisable to develop a training seminar for MBA instructors so that they could become familiar with how to participate in those seminars from a technical perspective.

Staff then discussed the new Web-Based Course, "Multifamily Underwriting," and mentioned that it is doing well. It was also brought out that the "Introduction to Commercial Real Estate Finance" and "Mortgage Insurance" courses are in the planning stages.

Regarding the CREF Correspondence Courses, it was mentioned that all four courses need to be reviewed this year. There was also a comment that Midland Loan Services, Inc. had success in using these courses, along with case studies, to train their staff.

CLASSROOM-BASED PROGRAMS

MBA staff then summarized the classroom-based programs that deal with commercial underwriting. It was mentioned that there are now two underwriting programs. "Commercial Real Estate Underwriting I," scheduled twice this year, is designed for professionals with only several years experience while "Commercial Real Estate Underwriting II" was developed for the more seasoned underwriter. "CREF Underwriting II," a new program, will go beyond the basics of underwriting and focus on the more complex nuances of underwriting special and involved concerns such as bankruptcy, hazardous waste, holdback agreements, land sale and leaseback transactions, etc.

Staff then discussed the past co-venture with MIT, mentioning that there was ongoing research to determine

what other universities offer high-level, two to five day educational programs that may be of interest to MBA members. For the past two years, the MBA has partially subsidized the tuition for MBA members to attend four different two-day commercial programs at MIT. The member feedback on these short programs has been very positive and Mr. Juergens has requested staff to determine if there are similar programs from other prestigious universities. Wharton, NYU, and the University of Wisconsin were mentioned by attendees as universities to contact.

The Chairman then recognized Dan Phelan, CMB, and asked that he provide an update of the Commercial/Multifamily Committee Task Force efforts. Mr. Phelan briefly summarized the purpose, function, and status of the Task Force, and went on to say that an RFP was forwarded to 30 colleges and universities who are interested in developing or expanding course curriculum in the commercial/multifamily real estate finance discipline. MBA would help fund the curriculum, with student scholarships a possibility. It was pointed out that some of the interested universities are present at the CREF Convention and will make presentations to the Task Force this afternoon.

Mr. Phelan mentioned that the focus of this expanded curriculum is to introduce and educate undergraduates to commercial real estate finance and to encourage career interest in this field. After all RFPs have been reviewed, a decision will be made this summer as to how many universities will be selected for grants from the MBA. Mr. Phelan also mentioned that after these MBA grants, it would be advisable that members establish scholarship monies to further attract students into commercial real estate finance as a career. It was emphasized that the effort to encourage college students into mortgage banking must be viewed as a long-term commitment on the part of the MBA and the Commercial Real Estate Finance industry.

It was then mentioned that the industry must "take over" after the universities have done their part so as to continue interest in mortgage banking. One attendee felt that formal education can't "do it all" and that there was a need for the industry to educate "its own" by providing continuing educational programs like distance learning and related industry certifications.

Tom Wratten, CMB, was then recognized and he outlined the new "Chartered Realty Investor" (CRI) certification that could be of interest to MBA members. Mr. Wratten mentioned that existing educational programs and requirements will be part of the CRI and that he will be hiring a testing company to set the criteria for the CRI examinations. He also stated that the MBA and others will be involved in establishing the "body of knowledge" necessary for that certification. Mr. Wratten provided CRI materials to attendees for their review.

There was no other new business and Mr. Juergens adjourned the meeting at 9:20 A.M.

Submitted by:
J. Parker Deal
Staff Representative

Approved by:
Richard Juergens
CREF Education Committee Chairman