

Date reviewed: Aug 2015

Date revised: Aug 2015

Pre or Co-requisite: None

## **BFN 101: LAW AND BANKING: PRINCIPLES**

Semester Credit Hours: 2

Contact Hours: Lecture 30

### **I. COURSE DESCRIPTION:**

This course is an introduction to banking law and legal issues, with special emphasis on the Uniform Commercial Code. Topics include the role of regulators, torts, contracts, real estate, bankruptcy, and the legal implications of consumer lending. Upon completion of the course, the student will be able to work with basic banking documents.

### **II. GENERAL COURSE COMPETENCIES:**

The student will:

1. Understand the sources of law.
2. Comprehend the role of regulators and courts in banking.
3. Gain knowledge of torts and crimes as they relate to banking.
4. Gain knowledge of legal entities with which banks transact business.
5. Understand the basic elements required to form a contract.
6. Learn important aspects of real and personal property.
7. Understand the legal process of bankruptcy.
8. Understand the legal implications of consumer lending.

### **III. COURSE OBJECTIVES STATED IN PERFORMANCE TERMS:**

1. The student will understand the sources of law.

The student will:

- a) Describe sources of law governing individuals and entities in the United States.
  - b) Discuss the development of the Uniform Commercial Code.
  - c) Differentiate between common law, statutory law, constitutions and regulations.
2. The student will comprehend the role of regulators and courts in banking.
- The student will:
- a) Discuss the history of bank regulation.
  - b) List the four agencies that have a role in bank regulation.
  - c) State the functions of bank regulators.
  - d) Describe the role of the court system as an enforcer of laws affecting banks.
3. The student will gain knowledge of torts and crimes as they relate to banking.
- The student will:
- a) Distinguish between torts and crimes.
  - b) State the four types of torts that are of particular concern to bankers.
  - c) Describe three crimes that bankers may encounter.
4. The student will gain knowledge of legal entities with which banks transact business. The student will:
- a) Identify ten different legal entities with which banks do business.
  - b) Discuss the manner in which banks should deal with each entity.
5. The student will understand the basic elements required to form a contract.
- The student will:
- a) Identify the four basic elements of a contract.
  - b) Explain the statute of frauds.
  - c) Describe the parole evidence rule.

- d) Identify rules used to interpret contracts.
  - e) Discuss the performance of contracts.
  - f) Define third-party beneficiaries.
  - g) Distinguish between the forms of damages for failure to perform a contract.
  - h) Discuss the concept of quasi contract.
6. The student will learn important aspects of real and personal property. The student will:
- a) Define real and personal property.
  - b) Describe how real and personal property are acquired.
  - c) Explain bailment, including safe deposit boxes and leases.
  - d) Differentiate the various interests in real estate.
7. The student will understand the legal process of bankruptcy. The student will:
- a) Discuss the history of bankruptcy laws in the United States.
  - b) Differentiate between the liquidation and rehabilitation goals of the Bankruptcy Code.
  - c) Identify trustees' powers and responsibilities in bankruptcy.
  - d) Describe creditors' rights in bankruptcy.
  - e) Explain debtors' rights and duties in bankruptcy.
8. The student will understand the legal implications of consumer lending.
- The student will:
- a) Describe disclosures required by the Truth in Lending Act.
  - b) Differentiate between closed-end and open-end credit.
  - c) Explain the rescission requirements of the Truth in Lending Act.
  - d) State consumers' rights under the Fair Credit Billing Act.

- e) Explain the civil, regulatory and criminal penalties for violating various consumer protection statutes.
- f) Identify the requirements lessors must meet in leasing goods to consumers.
- g) Discuss how the Equal Credit Opportunity Act applies to both consumer and business credit and affects the processing of credit applications and evaluation of loan requests.
- h) List the requirements of the Fair Credit Reporting Act.
- i) Explain the basic elements of the Fair Debt Collection Practices Act.
- j) Explain the Credit Practices Rule and its notice-to-cosigner form.

#### IV. CLASS ACTIVITIES:

Online PowerPoints  
Writing Assignments

#### V. CRITERIA FOR EVALUATION:

Given a series of assignments, quizzes and examinations, the student will perform with a sixty- percent degree of accuracy.

#### VI. TEXT:

Law and Banking/Miller, Cross/Cengage/Thompson, custom edition for Jefferson State Community College.

#### VII. Attendance

Students are expected to attend all classes for which they are registered. Students who are unable to attend class regularly, regardless of the reason or circumstance, should withdraw from that class before poor attendance interferes with the student's ability to achieve the objectives required in the course. Withdrawal from class can affect eligibility for federal financial aid.

#### VIII. Statement on Discrimination/Harassment

The College and the Alabama State Board of Education are committed to providing both employment and educational environments free of harassment or discrimination related to an individual's race, color, gender, religion, national origin, age, or disability. Such harassment is a violation of State Board of Education policy. Any practice or behavior that constitutes harassment or discrimination will not be tolerated.

#### IX. Americans with Disabilities

The Rehabilitation Act of 1973 (Section 504) and the Americans with Disabilities Act of 1990 state that qualified students with disabilities who meet the essential functions and academic requirements are entitled to reasonable accommodations. It is the student's responsibility to provide appropriate disability documentation to the College. The ADA Accommodations Office is in FSC 305 (205-856-7731).