

LAW 7090: Secured Transactions

The primary focus of this course is Article 9 of the Uniform Commercial Code -- the Secured Transactions article. Article 9 of the UCC provides a mechanism for creditors desirous of obtaining comfort and protection for payment of an obligation owed to them to collateralize their position by obtaining an Article 9 security interest in personal property of their debtor. As the potential for non-payment of obligations owed by third parties is always present, creditors with an Article 9 security interest may enhance their ability to collect such obligations through a recovery from the third party's personal property and by doing so before any distribution to other creditors. The "security interest" is a form of consensual lien which may be obtained in a debtor's physical property (e.g., business inventory and equipment), in the obligations owed to a debtor resulting from the sale of its inventory (e.g., accounts receivable), in a debtor's intangible property (e.g., other contract rights, intellectual property and causes of action) and in other assets. The goal of the course is for students to gain a familiarity with situations in which security interests may be used and to study the structure and rules of Article 9, including a review of how security interests are created, perfected and enforced and how priorities among different creditors are determined. This is not a course in bankruptcy law but as rights of secured creditors are frequently decided by bankruptcy courts, selected discussion of bankruptcy issues will take place. The emphasis of this course will be on commercial transactions and the law and problems peculiar to consumer transactions will only be discussed on occasion. Exam Info: Exam administered during exam period.

Credits: 2.0