

BANKING AND FINANCE: CONSUMER LENDING

Curriculum Content Frameworks

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BANKING AND FINANCE: CONSUMER LENDING

Grade Levels: 10, 11, 12
Course Code: 492020

Prerequisite: Computerized Accounting I

Course Description: Banking and Finance: Consumer Lending is a one-semester course that focuses on the insider's view of consumer lending offers essential information about the maze of regulations governing credit practices and reviews loan processing, cross-selling, and collections. The targeted audience includes consumer lenders, consumer credit personnel, and bank employees who need to understand consumer credit.

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Unit 1: Introduction to Consumer Loans

Hours: 20

Terminology: Chattel, Collateral, Consumer credit, Indirect loan, Installment loans, Lien, Manufactured homes, Recreational vehicle, Secondary market

CAREER and TECHNICAL SKILLS			ACADEMIC and WORKPLACE SKILLS		
What the Student Should be Able to Do			What the Instruction Should Reinforce		
Knowledge	Application		Skill Group	Skill	Description
1.1 Define <i>consumer credit, installment loan, consumer use of credit</i>	1.1.1 Describe the responsibilities of the borrower and the lender when a consumer loan is granted		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
				Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]
1.2 Discuss how installment loans originated	1.2.1 Describe the characteristics of credit users		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
				Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
1.3 Explain the reasons consumers use credit	1.3.1 Describe the characteristics of credit users		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
	1.3.2 Discuss how these characteristics influence the use of consumer credit			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
				Writing	Participates in conversation, discussion, and group presentations [1.5.8]
				Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]
1.4 Identify the types of providers of consumer credit	1.4.1 Compare the lending practices among the various types of lending institutions		Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]
	1.4.2 List the classifications of consumer loans				Presents answers/conclusions in a clear and understandable form [1.6.13]
	1.4.3 Describe how these classifications effect how a lender markets, administers, and prices consumer credit		Thinking	Problem Solving	Comprehends ideas and concepts related to providers of consumer credit [4.4.1]
	1.4.4 List the categories of consumer loans			Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
1.5 Define <i>real property loans</i>	1.5.1 Discuss the various types of loans included in this category	Foundation	Reading Speaking	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Participates in conversation, discussion, and group presentations [1.5.8]	
1.6 Define <i>home improvement loans</i>	1.6.1 List examples of home improvement loans 1.6.2 Describe a government-insured home improvement loan 1.6.3 Describe a conventional loan 1.6.4 Compare secured and unsecured home improvement loans	Foundation Thinking	Writing Reasoning	Analyzes data, summarizes results, and makes conclusions [1.6.2] Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6] Presents answers/conclusions in a clear and understandable form [1.6.13] Sees relationship between two or more ideas, objects, or situations [4.5.5]	
1.7 Define <i>lien</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
1.8 Define <i>manufactured home</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
1.9 Define <i>indirect loans</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
1.10 Define <i>chattel</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
1.11 Define <i>equality</i>	1.11.1 Discuss home equity loans and how they benefit lenders	Foundation	Reading Speaking	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Participates in conversation, discussion, and group presentations [1.5.8]	
1.12 Define <i>vehicle loans</i>	1.12.1 List the various types of vehicle loans 1.12.2 Discuss why automobile loans are the largest single category of consumer loans 1.12.3 Discuss collateral for automobile loans	Foundation	Reading Speaking Writing	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Participates in conversation, discussion, and group presentations [1.5.8] Presents answers/conclusions in a clear and understandable form [1.6.13]	

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS		
What the Student Should be Able to Do		What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
1.13 Define <i>recreational vehicles</i>	1.13.1 Discuss the recreational vehicle market	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
1.14 Define <i>marine loans</i>	1.14.1 Discuss the loan terms for marine loans	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
	1.14.2 Discuss financing for aircraft loans		Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
	1.14.3 List the types of loans that are categorized as "other consumer loans"		Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]
1.15 Present the Higher Education Act of 1965	1.15.1 Discuss education loans	Foundation	Reading	Locates pertinent information in documents -- such as manuals, graphs, and schedules -- to perform tasks [1.3.18]
1.16 Define <i>deposit account loans</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
1.17 Define <i>secondary market</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
1.18 Define <i>personal loans</i>	1.18.1 Discuss various reasons for personal loans	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
1.19 Define <i>check credit</i>	1.19.1 Discuss the purpose of check credit	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
1.20 Define <i>overdraft revolving credit</i>	1.20.1 Discuss benefits of overdraft protection	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
	1.20.2 Discuss advantages and disadvantages of credit cards		Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
	1.20.3 Compare the types of card users	Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
	1.20.4 Discuss how lenders offer credit card services			

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
1.21 Define <i>card issuers</i> and <i>agents</i>	1.21.1 Discuss why the credit card market is so competitive	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]

Unit 2: Laws and Regulations Affecting Consumer Loans

Hours: 5

Terminology: Bankruptcy, Community Reinvestment Act, Uniform Consumer Credit Code (UCCC)

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
2.1 Determine the government agencies that regulate consumer-lending practices for banks, credit unions, and savings institutions	2.1.1 List each regulator and the type of institutions it monitors	Foundation	Reading	Locates pertinent information in documents such as manuals, graphs, and schedules to perform tasks [1.3.18]	
			Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
2.2 Determine the primary focus of consumer protection regulations and laws relating to consumer credit	2.2.1 List the three areas of regulations and at least three key laws in each area	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Writing	Organizes ideas and communicates oral messages to listeners [1.5.7] Presents answers/conclusions in a clear and understandable form [1.6.13]	
2.3 Determine the primary objective of the Uniform Consumer Credit Code (UCCC)	2.3.1 List six UCCC recommendations	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Writing	Organizes ideas and communicates oral messages to listeners [1.5.7] Presents answers/conclusions in a clear and understandable form [1.6.13]	
2.4 Present the bankruptcy laws	2.4.1 State two kinds of bankruptcy plans and their differences	Foundation	Reading	Identifies relevant details, facts, and specifications [1.3.16]	
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5] Organizes ideas and communicates oral messages to listeners [1.5.7] Participates in conversation, discussion, and group presentations [1.5.8]	

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
2.5 Define <i>Community Reinvestment Act (CRA)</i> and its purpose	2.5.1 Discuss the responsibilities that financial institutions have to their communities	Foundation	Reading Speaking	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Participates in conversation, discussion, and group presentations [1.5.8]

Unit 3: Interest

Hours: 3-5

Terminology: Add-on interest, Annual percentage rate, Discount interest, Finance charge, Simple interest, Truth in Lending Act (TILA)

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do			ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description	
3.1 Define <i>interest</i>	3.1.1 List the factors upon which the amount of interest paid on a loan depends	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
	3.1.2 Identify the interest formula		Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
3.2 Define <i>amortization</i>	3.2.1 Explain the correlation between reduced principal and reduced interest	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
3.3 Identify the three methods of calculating interest	3.3.1 Compare the three methods of calculating interest	Foundation	Arithmetic/ Mathematics	Chooses appropriately from a variety of mathematical techniques [1.1.11]	
	3.3.2 Perform simple interest calculations			Demonstrates mathematical calculation work [1.1.19]	
	3.3.3 Perform add-on interest calculations			Performs basic computations [1.1.31]	
	3.3.4 Perform discount interest calculations			Sees relationship between two or more ideas, objects, or situations [4.5.5]	
3.4 Identify the three common methods used for determining the number of days on which to calculate interest in a year	3.4.1 Compare the interest yield on a loan using the three methods of calculations	Foundation	Arithmetic/ Mathematics	Chooses appropriately from a variety of mathematical techniques [1.1.11]	
		Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]	
3.5 Discuss the two types of loans: closed-end loans and open-end loans	3.5.1 List examples of two types of loans	Foundation	Arithmetic/ Mathematics	Expresses mathematical ideas and concepts orally and in writing [1.1.23]	
	3.5.2 Figure a monthly loan payment using an amortization table			Performs basic computations [1.1.31]	
	3.5.3 Discuss how monthly payments are calculated			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
			Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
3.6 Define <i>finance charge</i>	3.6.1 Contact an area bank for its disclosure brochure regarding finance charges	Foundation	Arithmetic/ Mathematics Reading	Expresses mathematical ideas and concepts orally and in writing [1.1.23] Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
3.7 Define <i>annual percentage rate (APR)</i> and explain how it is different from an interest rate	3.7.1 Invite a loan officer from an area bank to address the Truth in Lending Act	Foundation	Arithmetic/ Mathematics Reading	Expresses mathematical ideas and concepts orally and in writing [1.1.23] Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
3.8 Consider possible factors involved in early repayment of a loan	3.8.1 Discuss early repayment penalties	Foundation	Arithmetic/ Mathematics Speaking	Comprehends the role of chance in the occurrence and prediction of events [1.1.12] Participates in conversation, discussion, and group presentations [1.5.8]

Unit 4: Applying for a Consumer Loan

Hours: 5-7

Terminology: Underwriting

CAREER and TECHNICAL SKILLS			ACADEMIC and WORKPLACE SKILLS		
What the Student Should be Able to Do			What the Instruction Should Reinforce		
Knowledge	Application		Skill Group	Skill	Description
4.1 Determine clear loan policies and underwriting standards	4.1.1	List topics that should be addressed in loan policies	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
	4.1.2	List examples of underwriting standards		Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]
	4.1.3	List methods of taking consumer loan applications			
4.2 Explain the elements of a complete loan application	4.2.1	List eight elements common to consumer loan applications	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
	4.2.2	List and discuss specific documents required in the application process			Participates in conversation, discussion, and group presentations [1.5.8]
4.3 Determine methods of detecting consumer loan fraud	4.3.1	List characteristics of a fraudulent loan application	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
				Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]

Unit 5: Credit Hours: 10

Terminology: Credit scoring, Equal Credit Opportunity Act

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
5.1 Identify the four C's of credit	5.1.1 Relate character, credit, capacity, and collateral to the elements of a loan application	Foundation	Reading	Analyzes and applies what has been read to a specific task [1.3.2] Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
		Thinking	Problem Solving	Comprehends ideas and concepts related to the four C's of credit [4.4.1]	
5.2 Define <i>credit-reporting agencies</i>	5.2.1 Explain the purpose of an agency and how agencies can be used or beneficial to a lender	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
5.3 Identify the three primary sources of credit verification	5.3.1 List advantages and disadvantages of each source	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
	5.3.2 Discuss the three primary sources used to verify collateral and what lenders look for	Thinking	Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
			Problem Solving	Comprehends ideas and concepts related to providers of consumer credit [4.4.1]	
5.4 Analyze the different elements used in credit reports, income analysis, debt analysis, and risk analysis to make the credit decision		Thinking	Decision Making	Evaluates information/data to make best decision [4.2.5]	
5.5 Describe the events that trigger the notification requirements of the Equal Credit Opportunity Act	5.5.1 List ways applicants may be notified of the credit decision under certain circumstances	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
				Presents answers/conclusions in a clear and understandable form [1.6.13]	

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
5.6 Describe an indirect loan	5.6.1 Discuss under what circumstances an indirect loan may occur	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]
			Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]

Unit 6: Establishing and Perfecting Security Interest

Hours: 5

Terminology: Automatic perfection, Depreciation, Liquidate

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
6.1 Review the four C's of credit	6.1.1 Discuss the purpose and process of accepting collateral	Foundation	Reading	Identifies relevant details, facts, and specifications [1.3.16]	
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
6.2 Define <i>liquidate</i>	6.2.1 Discuss the limitations of using collateral for repayment	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
	6.2.2 List the four major characteristics of determining collateral adequacy		Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
	6.2.3 Discuss identification and condition		Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
6.3 Define <i>depreciation</i>	6.3.1 Identify how value is determined	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
		Thinking	Reasoning	Uses logic to draw conclusions from available information [4.5.6]	
6.4 Define <i>purchase money loan</i>		Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
6.5 Define <i>lien holder</i>	6.5.1 Discuss prior liens and encumbrances	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
6.6 Define <i>perfection of a security interest</i>	6.6.1 Compare/contrast perfection of a security interest by filing, possessions, and automatic perfection	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
	6.6.2 Explain the process of perfection by filing a financing statement		Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5] Participates in conversation, discussion, and group presentations [1.5.8]	
	6.6.3 Discuss perfection by possession	Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]	
6.7 Define <i>automatic perfection</i>	6.7.1 List examples of automatic perfection	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
	6.7.2 Discuss risks to the lender of automatic perfection		Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
6.8 Define <i>attachment</i>	6.8.1 Discuss attachment and perfection as necessary elements in obtaining a security interest in collateral	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
	6.8.2 Explain why the lender must be aware of the elements to both attachment and perfection		Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5] Participates in conversation, discussion, and group presentations [1.5.8]	
6.9 Determine the procedure of terminating a financing statement	6.9.1 Discuss the lender's responsibility in filing a termination statement	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
		Thinking	Reasoning	Determines which conclusions are correct when given a set of facts and a set of conclusions [4.5.3]	

Unit 7: Loans

Hours: 5

Terminology: Junior lien, Promissory note

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
7.1 Define <i>promissory note</i>	7.1.1 Discuss the elements and purpose of a promissory note	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
7.2 State the truth in lending disclosures necessary for consumer loans	7.2.1 List the element that must be disclosed to borrowers	Foundation	Reading	Applies information and concepts derived from printed materials [1.3.3]	
			Speaking	Adapts presentation to audience [1.5.1]	
			Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
7.3 Define <i>security agreement</i>	7.3.1 Discuss the purpose of a security agreement	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
7.4 Identify the importance of a collateral description		Thinking	Problem Solving	Comprehends ideas and concepts related to a collateral description [4.4.1]	
7.5 Define <i>acceleration clause</i> and <i>collection costs</i>	7.5.1 Discuss why an acceleration clause may be invoked	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
7.6 Identify the documents and process necessary for perfecting a security interest in direct loans	7.6.1 Explain how a security interest in indirect loans is perfected	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	7.6.2 Describe the purpose of a certificate of title notation		Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
	7.6.3 Explain what documents are necessary to secure an aircraft loan	Thinking	Problem Solving	Comprehends ideas and concepts related to security interest in direct loans [4.4.1]	
	7.6.4 Describe the purpose of a financing statement				

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
7.7 Identify the documents needed for loans secured by real property	7.7.1 Describe the documents lenders use to secure loans by real property	Foundation Thinking	Writing Problem Solving	Analyzes data, summarizes results, and makes conclusions [1.6.2] Comprehends ideas and concepts related to real property [4.4.1]	
7.8 Define <i>junior lien/second mortgage</i>	7.8.1 Discuss the purpose of a junior lien/second mortgage 7.8.2 Discuss the difference between first and junior mortgage instruments	Foundation	Reading Speaking	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Participates in conversation, discussion, and group presentations [1.5.8]	
7.9 Explain the right of rescission	7.9.1 Describe the conditions of the right of rescission/cancellation	Foundation	Speaking Writing	Communicates a thought, idea, or fact in spoken form [1.5.5] Analyzes data, summarizes results, and makes conclusions [1.6.2]	
7.10 Identify key internal documentation a bank must create once a loan has been approved	7.10.1 List examples of information that must be recorded by the bank 7.10.2 Identify key parts of a welcome letter that should be sent to new borrowers	Foundation Thinking	Writing Problem Solving	Presents answers/conclusions in a clear and understandable form [1.6.13] Comprehends ideas and concepts related to real property [4.4.1]	
7.11 Describe loan-closing activities	7.11.1 Identify the purpose of a consumer loan closing	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
7.12 Describe the three ways of disbursing loan proceeds	7.12.1 List the three ways loan proceeds are distributed and the conditions for using the method	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2] Presents answers/conclusions in a clear and understandable form [1.6.13]	
7.13 Describe the methods in which payments can be made by the borrower	7.13.1 List the methods of payment for a consumer loan	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2] Presents answers/conclusions in a clear and understandable form [1.6.13]	

Unit 8: Servicing Consumer Loans

Hours: 5

Terminology: National bank

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
8.1 Describe promissory notes	8.1.1 List the three things set forth in a promissory note	Foundation	Reading	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
			Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
8.2 Name the three most commonly used payment systems available to borrowers	8.2.1 Discuss the responsibility of the bank to process and apply loan payments	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
8.3 Identify reasons to use different processing types	8.3.1 Explain the four types of payment processing systems used by banks	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
8.4 Classify reports that lending personnel are responsible for	8.4.1 List the two classifications of consumer loan reports	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]	
	8.4.2 List and discuss four required reports and four optional reports and their uses		Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
8.5 Explain servicing of indirect loans	8.5.1 Name two major responsibilities for servicing indirect loans	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	8.5.2 Discuss methods and responsibilities of servicing consumer loans in responding to inquiries			Participates in conversation, discussion, and group presentations [1.5.8]	
	8.5.3 List six common types of inquiries			Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]
		Thinking	Reasoning	Uses logic to draw conclusions from available information [4.5.6]	

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
8.6 Name the two ways financial intermediaries offer established national bank credit cards	8.6.1 List the responsibilities assumed by a card issuer and by an agent	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]

Unit 9: Loan Collections and Consumer Bankruptcy

Hours: 5

Terminology: Chapter 7, Chapter 13, Charge-off

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS				
What the Student Should be Able to Do		What the Instruction Should Reinforce				
Knowledge	Application	Skill Group	Skill	Description		
9.1 Identify the factors that affect delinquency rates for consumer loans	9.1.1 Discuss reasons, based on delinquency rates, that consumer loans have different levels of risk for lenders	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]		
		Thinking	Problem Solving	Comprehends ideas and concepts related to consumer loans [4.4.1]		
9.2 Identify circumstances that may cause a lender to show exception to a delinquent borrower	9.2.1 List the classifications of delinquent borrowers	Foundation	Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]		
		Thinking	Problem Solving	Comprehends ideas and concepts related to delinquent borrowers [4.4.1]		
9.3 Identify the components of an effective collection policy	9.3.1 Invite a loan officer from a bank to explain his/her institution's collection policy, including examples of collection documents	Thinking	Knowing how to Learn	Uses available resources to acquire new skills or improve skills [4.3.4]		
					Uses available resources to apply new skills [4.3.6]	
			Problem Solving	Comprehends ideas and concepts related to collection policies [4.4.1]		
9.4 Determine the provisions of the Fair Debt Collection Practices Act	9.4.1 Research the Fair Debt Collection Practices Act using the Internet, and prepare a summary	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]		
		Thinking	Decision Making	Comprehends ideas and concepts related to the Fair Debt Collection Practices Act [4.2.2]		
9.5 Identify the steps and purposes of preliminary collection procedures	9.5.1 Discuss the background information one would need to begin the collection process	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]		
		Thinking	Problem Solving	Comprehends ideas and concepts related to preliminary collection procedures [4.4.1]		
9.6 Identify the methods that a lender may employ to contact a delinquent borrower	9.6.1 Discuss situations that may determine the collection method a lender may choose to use and the strengths and/or weaknesses of each	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]		
		Thinking	Problem Solving	Comprehends ideas and concepts related to delinquent borrowers [4.4.1]		

CAREER and TECHNICAL SKILLS		ACADEMIC and WORKPLACE SKILLS			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
9.7 Identify the two remedial payment plans	9.7.1 Discuss the two remedial payment plans and the circumstances under which forbearance or wage garnishment would be best	Foundation Thinking	Speaking Problem Solving	Participates in conversation, discussion, and group presentations [1.5.8] Comprehends ideas and concepts related to remedial payment plans [4.4.1]	
9.8 Identify the two means of collateral acquisition on a delinquent secured loan	9.8.1 Review Revised Article 9 of the Uniform Commercial Credit Code (UCCC)	Foundation Thinking	Reading Knowing how to Learn Problem Solving	Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Locates appropriate learning resources to acquire or improve knowledge and skills [4.3.3] Comprehends ideas and concepts related to collateral acquisitions and delinquent secured loans [4.4.1]	
9.9 Discuss loan charge-off procedures and why charge-offs are necessary	9.9.1 Contact a bank examiner or accountant to present information regarding charge-off procedures and how a charge-off affects a lender's financial standing	Foundation Thinking	Speaking Knowing how to Learn	Participates in conversation, discussion, and group presentations [1.5.8] Uses available resources to acquire new skills or improve skills [4.3.4] Uses available resources to apply new skills [4.3.6]	
9.10 Define <i>bankruptcy</i> and identify the goal of current bankruptcy law	9.10.1 Examine newspapers to gain an awareness of the occurrence of consumer bankruptcy	Foundation Thinking	Reading Knowing how to Learn	Locates pertinent information in documents -- such as manuals, graphs, and schedules -- to perform tasks [1.3.18] Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23] Uses available resources to acquire new skills or improve skills [4.3.4] Uses available resources to apply new skills [4.3.6]	

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
9.11 Explain Chapter 7 bankruptcy	9.11.1 Arrange a field trip to bankruptcy court	Foundation Thinking	Speaking Knowing how to Learn	Communicates a thought, idea, or fact in spoken form [1.5.5] Uses available resources to acquire new skills or improve skills [4.3.4] Uses available resources to apply new skills [4.3.6]
9.12 Explain Chapter 13 bankruptcy	9.12.1 Invite a judge as a guest speaker to discuss bankruptcy issues	Foundation Thinking	Speaking Knowing how to Learn	Communicates a thought, idea, or fact in spoken form [1.5.5] Uses available resources to acquire new skills or improve skills [4.3.4] Uses available resources to apply new skills [4.3.6]
9.13 Describe procedures lenders may use to prevent or reduce losses caused by bankruptcy	9.13.1 Invite a credit counselor as a guest speaker	Foundation Thinking	Writing Knowing how to Learn	Analyzes data, summarizes results, and makes conclusions [1.6.2] Uses available resources to acquire new skills or improve skills [4.3.4] Uses available resources to apply new skills [4.3.6]

Glossary

Unit 1: Introduction to Consumer Loans

1. Chattel – personal property pledged as collateral for a loan
2. Collateral – property that is offered as security for a loan
3. Consumer credit – credit that is granted to a natural person for personal, family, or household purposes
4. Indirect loan – a loan made by the seller of the property with the intent of selling the loan to a financial institution
5. Installment loan – a loan repayable in substantially equal periodic payments that are paid at regular intervals
6. Lien – a lender's legal claim against property for the repayment of debt
7. Manufactured home – a movable dwelling that is manufactured before it is moved and sold to the owner; also known as a "mobile home"
8. Recreational vehicle – a vehicle that is intended as a temporary living unit, primarily for vacation purposes or travel
9. Secondary market – a market in which loans are sold by the original lender and bought by investors

Unit 2: Laws and Regulations Affecting Consumer Loans

1. Bankruptcy – the legal process in federal courts that allows a debtor to fairly distribute his or her property to repay debts
2. Community Reinvestment Act (CRA) – the federal law that requires regulated financial institutions to make an effort to meet the credit needs of their communities
3. Uniform Consumer Credit Code (UCCC) – primary objective is not to make all state consumer loan statutes identical, but to assist the states in correlating and clarifying their various credit laws and regulations in light of commonly accepted lending principles

Unit 3: Interest

1. Add-on interest – a method of computing the interest on a loan by calculating the interest that would accrue over the term of the loan and adding that amount to the principal
2. Annual Percentage Rate (APR) – a Truth in Lending term meaning the cost of credit expressed as a yearly rate
3. Discount interest – a method of computing interest that involves calculating the interest for the entire loan, deducting that amount from the principal, and advancing the remainder to the borrower
4. Finance charge – a Truth in Lending term that includes all charges imposed directly or indirectly by the creditor that are incident to the credit
5. Simple interest – interest paid only on the original principal
6. Truth in Lending Act (TILA) – the federal law that requires financial institutions to make uniform disclosures of credit terms on consumer loans

Unit 4: Applying for a Consumer Loan

1. Underwriting – the process of applying credit standards to an applicant's financial characteristics to determine whether the applicant is creditworthy

Unit 5: Credit

1. Credit scoring – an automated system that reviews an applicant's characteristics and assigns a score to the application based on predetermined assumptions built into the program
2. Equal Credit Opportunity Act – the federal law that prohibits discrimination in lending based on nine prohibited bases: race, sex, color, national origin, marital status, religion, age, the receipt of public assistance income, and the exercise of rights under the Consumer Credit Protection Act

Unit 6: Establishing and Perfecting Security Interest

1. Automatic perfection – the perfection of a creditor's security interest without filing or taking possession of the collateral
2. Depreciation – the process whereby an asset loses value over time
3. Liquidate – the process of selling collateral that a creditor has repossessed

Unit 7: Loans

1. Junior lien – a claim against the real or personal property of a person that is granted by the ruling of a court
2. Promissory note – a written promise to repay a debt, signed by the debtor

Unit 8: Servicing Consumer Loans

1. National bank – a bank that is chartered by the Office of the Comptroller of the Currency

Unit 9: Loan Collections and Consumer Bankruptcy

1. Chapter 7 – the chapter of the bankruptcy code that sets forth the rules for a bankruptcy filing in which the debtor liquidates all nonexempt assets to repay creditors
2. Chapter 13 – the chapter of the bankruptcy code that sets forth the rules for a bankruptcy filing in which the debtor who has a regular source of income can agree to pay debts under a new, more lenient agreement
3. Charge-off – a debt that the creditor considers unrecoverable and therefore takes off the books