

**SECURED FINANCING**  
**Professor Jim Hawkins**  
**Spring 2020**

**Course Description**

Because lenders are concerned with ensuring debtors repay them, a lot of lending only occurs if the debtor puts up some collateral for the loan. This course examines the law that governs these transactions—the law of secured financing—found in Article 9 of the Uniform Commercial Code. We will discuss how a lender obtains a security interest in a debtor's property, how a lender perfects its interest, and what happens when two lenders claim an interest in the same property. The course is taught using a problem-based approach.

The objectives of the course are for you to learn the rules and doctrines of the law of secured financing; for you to understand the ethical and professional issues that arise in connection with secured financing; and for you to be able to integrate the information you learn in this class with other practical and analytical skills necessary to the practice of law.

**Learning Outcome**

Through and as a result of this course, students will: (1) demonstrate understanding of the rules and doctrines of the law of secured financing; and (2) demonstrate knowledge of the principles used to interpret cases and statutes relating to secured financing.

**Course Material**

The two required texts for this course are:

LoPucki, Warren, and Lawless, *Secured Credit: A Systems Approach* (8<sup>th</sup> ed. 2015)

Elizabeth Warren, *Bankruptcy and Article 9* (any recent edition), from Aspen Publishers

**Attendance**

The Law Center requires students to attend at least 80% of the scheduled classes. Students who do not attend 80% of the classes can be automatically dropped from the course. I will keep track of attendance by passing around a sign-in sheet after class starts. It is an Honor Code violation to sign in for another student.

If a class has to be rescheduled, I will notify you as soon as possible and schedule a makeup class at a time during which you do not have any other classes.

## **Assessment**

Your grade will be based on a final examination consisting of multiple choice and essay questions. You may use any written materials you would like during the examination.

Class participation will also be part of determining your grade and is important to learning the material. I will call on students each day to discuss the assigned material. I will divide the class into two sections based on where your last name falls in the alphabet. Names starting A - J will be on call on Mondays, and K - Z will be on call on Wednesdays. I will call on people within the designated section randomly. If you are in class but unprepared on two occasions that I call on you, I will lower your grade by one step (e.g., from a B to a B-). To be prepared for class, you must complete the assigned reading and work the assigned problems. It is important to spend time grappling with each assigned problem, but you do not need to have the “correct” answer. I strongly suggest that the best way to prepare for class and for the exam is to write down your answers to the problems before class.

## **Contact Information/Office Hours**

Office:	Bates Law Building #130
Office Hours:	by appointment
Telephone:	713-743-5018
E-mail:	jrhawkins@uh.edu

Please feel free to stop by my office, to e-mail me, or to set an appointment in order to discuss the class material or anything else of interest to you.

## **Accommodation of Disabilities**

The University of Houston Law Center strives to assure equal access and full participation by people with disabilities. If you require services because of a disability, you may notify Derrick Gabriel, Director of Student Affairs, in person in room 46 TUII, by e-mail at [dgabriel@central.uh.edu](mailto:dgabriel@central.uh.edu), or by phone at 713-743-2189. This voluntary self-identification allows the University to prepare any necessary and appropriate support services to facilitate your learning.

Any requests for exam accommodations should be directed to Mr. Gabriel and should be made as soon as possible to allow adequate time to document and process the request.

## **Counseling and Psychological Services**

Counseling and Psychological Services (CAPS) can help students who are having difficulties managing stress, adjusting to the demands of a professional program, or feeling sad and hopeless. You can reach CAPS ([www.uh.edu/caps](http://www.uh.edu/caps)) by calling 713-743-5454 during and after business hours for routine appointments or if you or someone you know is in crisis. No appointment is necessary for the “Let's Talk” program, a drop-in

consultation service at convenient locations and hours around campus.  
[http://www.uh.edu/caps/outreach/lets\\_talk.html](http://www.uh.edu/caps/outreach/lets_talk.html)

### **Class Recording/Tobacco Use**

Students may not record the class without prior permission from the professor or Student Affairs. The University of Houston prohibits tobacco use in class, including chewing tobacco.

### **Assignments**

All of the assignments are from the casebook (CB) or from other sources that you should be able to locate easily. **Please read all of the Article 9 provisions mentioned in the assigned reading and the comments to those sections.**

#### PART I: THE BENEFITS OF BEING A SECURED CREDITOR

**Assignment 1:** CB xxxi – xxxvii, 3 – 13. Problems 1.1 – 1.3.

**Assignment 2:** CB 13 – 19; Tex. Prop. Code §§ 41.001 - 41.002, 42.001 - 42.002, 42.003 (you will have to find this statute yourself). Problems 1.4 – 1.6. For 1.5, work the problem assuming both that Martin lives in Wisconsin and then that she lives in Texas.

**Assignment 3:** CB 22 – 38. Problems 2.1a (use Wisconsin law and Texas law), 2.2, 2.4a.

**Assignment 4:** CB 40 – 50; 54. Problems 3.1 – 3.4.

**Assignment 5:** CB 50 – 54; 59 – 61; 65 – 67; 70 – 75 (as you can tell, we are skipping the cases in this part). Problems 3.5 – 3.6; 4.1, 4.3, 4.6

**Assignment 6:** CB 78 – 91. Problems 5.1 – 5.4.

**Assignment 7:** CB 95 – 110. Problems 6.1 – 6.5.

**Assignment 8:** CB 113 – 128. Problems 7.1 – 7.5.

#### PART II: HOW TO BECOME A SECURED CREDITOR

**Assignment 9:** CB 131 – 146; Problems 8.1 – 8.5

**Assignment 10:** CB 150 – 159; Problems 9.1 – 9.2, 9.4, 9.6

**Assignment 11:** CB 162 – 178; Problems 10.1 – 10.6

**Assignment 12:** CB 181 – 193; Problems 11.1 – 11.3

**Assignment 13:** CB 217 – 234; Problems 13.1, 13.6 – 13.7

**Assignment 14:** CB 253 – 269; Problems 15.1 – 15.4, 15.5b, 15.6

#### PART III: PERFECTION

**Assignment 15:** CB 275 – 291; Problems 16.1, 16.3 – 16.5

**Assignment 16:** CB 294 – 307; Problems 17.1 – 17.4

**Assignment 17:** CB 311 – 321; Problems 18.1 – 18.5

**Assignment 18:** CB 324 – 339; Problems 19.1, 19.5 – 19.6

**Assignment 19:** CB 359 – 371; Problems 21.1

**Assignment 20:** CB 375 – 389; Problems 22.1 – 22.3, 22.5

**Assignment 21:** CB 393 – 404; Problems 23.1a, 23.1c, 23.1d, 23.2 – 23.3, 23.5

**Assignment 22:** CB 407 – 420; Problems 24.1 – 24.4

#### PART IV: PRIORITY

**Assignment 23:** CB 439 – 443, 446 – 449 (Grocers Supply and Frierson Cases), 471 – 479, 482 – 488; Problems 28.1 – 28.2, 28.5\*, 29.1\*, 29.4

**Assignment 24:** CB 494 – 508; Problems 30.1

**Assignment 25:** CB 522 – 533; Problems 32.1 – 32.4\*

**Assignment 26:** CB 595 – 612; Problems 36.1, 36.5 – 36.6

\* For problems involving boats assume that boats are not covered by the certificate of title statute in the relevant state. (In other words assume that boats can be perfected under Article 9.)