

PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE
MASTER SYLLABUS

CREDIT AND COLLECTIONS
CUE 2050

Class Hours: 3.0

Credit Hours: 3.0

Laboratory Hours: 0.0

**Date Revised: Spring
00**

NOTE: This course is not designed for transfer credit.

Catalog Course Description:

A study of the extension of credit. Topics include nature and role of credit, types of credit, basis of the credit decision, numerical scoring systems and collections policies, practices, and systems.

Entry Level Standards:

Students must be able to read and comprehend materials related to history, development, and use of credit here and abroad. They must possess intermediary mathematical skills to comprehend and utilize the formulae presented relating to interest rate calculations, discount rates, and other calculations related to the credit or collections fields.

Prerequisites:

None

Textbook(s) and Other Course Materials:

Consumer and Commercial Credit Management - Eighth Edition, Robert H. Cole.
Credit and Collections Syllabus - CUNA (for those students taking the Credit Union National Association CCUE national test).

I. Week/Unit/Topic Basis:

Week	Topic
1	Registration; Distribution of materials relating to class schedule, determination of grade, attendance requirements, testing schedule for Pellissippi and for CCUE national examination, pertinent telephone numbers and names. Textbook, Chapter 1 - "Credit in the Economy" - What credit is; Classification of credit; Interrelationship between public, business, and consumer credit; The role of credit in our economy; and The changing role of credit and the need for education. CUNA Syllabus, Lesson 1 - "The Nature and Role of Credit."
2	Textbook, Chapter 2 - "Types of Consumer Credit -Retail and Service" - Factors affecting a decision to sell on credit; Retail option-terms revolving credit; Benefits and pitfalls of revolving credit; Retail installment credit; Principles of retail installment credit; Benefits and pitfalls of installment credit; Retail charge account credit; and service credit. CUNA Syllabus, Lesson 2 "Types of Consumer Credit - Retail and Service."
3	Textbook, Chapter 3 "Financing Retail and Service Credit Transactions" - Financing

- retail revolving credit plans; Financing retail installment transactions; Holder in due course doctrine; and Private credit card companies.
CUNA Syllabus, Lesson 3, "Financing Retail and Service Credit Transactions"
- 4 Textbook, Chapter 4 "Types of Consumer Credit - Cash Loan Credit" - Use of cash loans by consumers; Consumer cash-lending institutions; and Relative costs of consumer lending institutions.
CUNA Syllabus, Lesson 4 "Types of Consumer Credit - Cash Loan Credit."
- 5 Textbook, Chapters 5 and 6 "Home Mortgage Loans" and "Regulation of Consumer Credit" - Residential financing; How consumers may finance a home; Competition among lenders for loanable funds; Provisions of home mortgages; Federal regulation of consumer credit; and State regulation of consumer credit.
CUNA Syllabus, Lesson 5 "Home Mortgage Loans/ Regulation of Consumer Credit."
- 6 Textbook, Chapter 7 "Management of Consumer Credit" - Retail credit management; Service credit management; Organizations of 1) managers of financial institutions, 2) managers of retail credit bureaus, and 3) managers of collection services; The credit research center; and Managing promotion in credit operations.
CUNA Syllabus, Lesson 6 "Management of Consumer Credit."
- 7 Textbook, Chapters 8 and 9 "Basis of the Credit Decision" - Facts or opinions; What to investigate; Credit qualities to investigate; Influence of economic conditions; Investigation and verification; How much to investigate; Where to investigate; Information supplied by applicants; Information supplied by direct inquiry; Information supplied from in-file ledger facts; History and organization of credit bureaus; Operation of credit bureaus; Credit bureau operations and the law; Automated credit bureau reporting; and Evaluation of local credit bureaus.
CUNA Syllabus, Lesson 7 "Basis of the Credit Decision."
GUEST SPEAKER - Representative from credit reporting agency to present an overview of credit reporting and the laws regulating the reporting agency and the credit unions. Question/answer session to follow presentation.
- 8 Review of materials covered to date, Mid-term examination.
Class project - presentation from class members regarding operations/policies in their particular work situations; class discussion/comparison of operations; and question/answer session.
- 9 Textbook, Chapter 10 "Decision Making, Limit Setting, and Transaction Handling" - Decisions, the essence of credit work; Grading as an analytical device; Setting credit limits after the decision; and Handling the transaction.
CUNA Syllabus, Lesson 8 "Decision-Making in Credit Operations: Numerical Scoring Systems."
- 10 Textbook, Chapter 11 "Consumer Collection Policies and Practices" - Consumer credit insurance; Consumer credit counseling service; Developing a collection policy; A general collection system; Automated collections; Problems with consumer bankruptcy; and The impact of a sound collection policy.
CUNA Syllabus, Lesson 9 "Collections Policies and Practices."
- 11 CUNA Syllabus, "Bankruptcy Overview" - Consumer bankruptcy and how it affects both creditors and debtors; Laws affecting bankruptcy procedures and office operations during bankruptcy proceedings.
Film presentation regarding bankruptcy - what it is and how it can affect your credit rating for years to come.
Class discussion: comparison of actual situations in the workplace; question/answer

session.

- 12 Textbook, Chapters 12 and 13 "Business Use of Commercial Credit" and "Business Use of Cash (Financial) Credit" - Commercial credit management versus cash credit management; Commercial bank loans; Activities of the Small Business Administration; Accounts receivable financing; Commercial paper as a source of funds; Long-term loans; Function of commercial credit; Terms of sale; Cash discounts and equivalent rates of interest; Problems of unearned discounts; Terms of sale and Federal legislation; and Cash discounts or trade discounts.
CUNA Syllabus, Lesson 10 "Business Use of Commercial Credit; Use of Cash (Financial) Credit."
- 13 Textbook, Chapters 21 and 22 "International Trade Credit" and "Measuring Efficiency and Control of Credit Decisions" - Credit problems of export trade; Export terms of sale; Sources of foreign credit information; Responsibility of the credit department; Tests of credit department operations; Adaptation of new management tools to testing credit operations; and Presenting the measured results.
CUNA Syllabus, Lesson 11 "International Trade Credit; Control of Credit Operations."
- 14 Review of all materials covered since mid-term examination. Class discussion; question/answer session; mock bankruptcy cases presented for class decisions on appropriate actions to take.
- 15 Pellissippi Final examination. Review of all materials covered in entire course as preparation for CUNA national examination.
CUNA National Exam.
- 16 Review (as time permits) - CUNA national examination.

II. Course Objectives*:

- A. Understand the credit system in this country and to recognize the need for further education in the credit field. I, II
- B. Evaluate the benefits and pitfalls of the various types of retail and service credit. I, II
- C. Analyze the developments in retail credit, commercial installment banking and service credit financing options. I, II
- D. Recognize the importance of credit education, credit insurance, and legal ramifications of non-payment. I, II

*Roman numerals after course objectives reference goals of the Business and Community Services department.

III. Instructional Processes*:

Students will:

1. Take part in course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or email presentations; Internet research; etc. to help develop teamwork, leadership, and fellowship skills. *Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy*

2. Perform course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or email presentations; Internet research; etc. to help develop critical thinking, problem solving, goal setting, and planning skills. *Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Problem Solving and Decision Making Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy*
3. Practice elements of the work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. *Personal Development Outcome, Transitional Strategy*

*Strategies and outcomes listed after instructional processes reference Pellissippi State's goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:

1. Define the term "credit" and to identify the classifications of credit. A
2. Distinguish between consumer retail and service credit and consumer cash credit. B
3. Trace the development of and contrast the benefits and problem areas of bank credit card plans. C
4. Identify the need for consumer cash loans. B
5. Clarify the differences between various mortgage loans. B
6. Outline the basic functions of retail, service and financial credit management. C
7. Contrast those elements necessary to cost-effective credit investigation with those elements which may be regarded as excessive. A
8. Evaluate knowledge of materials covered to date via formal written examination. A
9. Evaluate grading as an analytical device. A
10. Explain the purpose and objectives of consumer credit counseling services. D
11. Contrast the two forms of consumer bankruptcy, along with the appropriate actions for the creditor in each case. A, B
12. Explain the function of commercial credit. A, D
13. Analyze the credit problems of export trade. D
14. Discuss various aspects of collections, business credit as opposed to consumer credit, credit in international trade, and measurement of credit department operations. B
15. Evaluate knowledge of business credit, consumer bankruptcy, international credit, and overall credit department operations via formal written examination. A

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures: 60% of grade

Quizzes after every two to three chapters in a textbook; all quiz scores to be added together and scored as one major exam score - 20% of grade
Two major exams - 20% of grade each

B. Laboratory Expectations:

Class project - to be researched at workplace and presented in the classroom for evaluation/discussion. Participation in mock bankruptcy situation - to present appropriate actions to take and to determine decisions to be made depending on circumstances.

C. Field Work:

N/A

D. Other Evaluation Methods: 40% of grade

Written homework - 25% of grade
Attendance and class participation - 15% of grade.
Credit Union National Association - National examination for those students striving to achieve the CCUE designation.

E. Grading Scale:

90 - 100	A
80 - 89	B
70 - 79	C
60 - 69	D
Below 60	F

VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course (Pellissippi State Catalog). Individual instructors may have requirements that are more stringent.