PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE
MASTER SYLLABUS
CREDIT & COLLECTIONS
CUE 2050

Class Hours: 3.0 Credit Hours: 3.0
Laboratory Hours: 0.0 Date Revised: Spring 00

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 Reference Materials Basic to the Course:
Credit and Collections Syllabus - CUNA (for those students taking the Credit Union National Association CCUE national test).

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>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 - &quot;Credit in the Economy&quot; - 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 - &quot;The Nature and Role of Credit.&quot;</td>
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<tr>
<td>2</td>
<td>Textbook, Chapter 2 - &quot;Types of Consumer Credit -Retail and Service&quot; - 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 &quot;Types of Consumer Credit - Retail and Service.&quot;</td>
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<tr>
<td>3</td>
<td>Textbook, Chapter 3 &quot;Financing Retail and Service Credit Transactions&quot; - Financing</td>
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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 report-ing 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
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.