

# **BANKING AND FINANCE PRACTICAL GUIDE**



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Sample

## 1. HOW TO USE THIS PRACTICAL GUIDE

This practical guide has been developed for your assistance in the College of Law elective unit Banking and Finance. This guide is structured in a way that aims to assist your development of key practical skills in the following key areas of the unit:

- making preliminary investigations;
- advising clients about banking and finance law, particularly key methods of financing commercial transactions;
- planning financial arrangements;
- documenting financial arrangements;
- drafting loan documents;
- drafting security documents;
- undertaking due diligence;
- completing commercial transactions for clients.

The types of assessment in the College of Law elective unit currently involve two tasks with activities. The final task is an oral assessment comprised of areas including the following:

- a. presenting your second task to your assessor;
- b. reflecting on your learning in the unit;
- c. reviewing the tasks you have submitted in the unit;
- d. answering questions regarding the learning materials in the unit.

This practical guide is structured in a way that simulates this type of assessment. Lawskool Pty Ltd recommends that you follow this practical guide in the order as it appears, and work through the fact scenarios to each practical task in a way that ensures you understand the steps taken along the way. The tasks in this practical guide are presented as examples of the types of tasks in Banking and Finance in the

College of Law, culminating in the oral assessment with oral assessment tips at the end of this guide.

Throughout your studies, you may adopt an engaged learning style which enables you to actively explore ideas and issues about a topic, and connect with your peers and mentors about real life situations and how they apply to the topic. Lawskool Pty Ltd hopes that you may use this practical guide as a tool in your engagement with the learning materials and practical skills of Banking and Finance in the College of Law.

Sample

## PART A: LOAN AGREEMENTS

### 2. FILE NOTE OF INTERVIEW, RESEARCH AND FURTHER ADVICE

**Names:** Adam Johnson attendance with Sammy Leo

**Date:** 20 November 2015

**Time Spent:** 10 units (60 minutes)

**Client Details:** Sammy Leo of Sammy Style Pty Limited

**Name of Matter:** Sammy Style Pty Limited Loan Agreement with Black Lenders Pty Limited

**Instructions from client:**

1. Sammy Leo runs Sammy Style Pty Limited (Sammy Style). This is a successful business which fits out and decorates office buildings.
2. She wants to expand her operations and for this purpose is planning on entering into an agreement to borrow \$4 million from Black Lenders Pty Limited.
3. The proposed loan is over 10 years at interest of 9.5% per annum.
4. Sammy Style intends to:
  - a. draw down the loan funds in installments over the first year as it requires, and
  - b. repay the loan earlier than the 10 years, if the business grows quickly enough.
5. Sammy would like the agreement to cover most of the essential issues relating to the loan but noted that the agreement should also:

- a. provide for notice to be given by the borrower to the lender prior to each request for drawdown. The lender will need some notice in order to have the funds available
  - b. allow for early repayment by the borrower without penalty, or subject to a specified penalty, and
  - c. specify the security that it is to be provided by the borrower – a loan of this size would not be made without security.
6. Sammy Leo asks you to draft the loan agreement for her so that she can take it to Black Lenders to see if they approve of her proposal.

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