

## MODULE SPECIFICATION

1. **Title of the module**  
Debt Finance
2. **School or partner institution which will be responsible for management of the module**  
Pearson College London
3. **The level of the module**  
Level 7
4. **The number of credits and the ECTS value which the module represents**  
15 credits (7.5 ECTS)
5. **Which term(s) the module is to be taught in (or other teaching pattern)**  
The module will always be taught in the second term of a student's studies at level 7 (stage 4) (whether or not they start in September or January).
6. **Prerequisite and co-requisite modules**  
Prerequisites: Law of Contract, Business Law and Practice
7. **The programmes of study to which the module contributes**  
MLaw Legal Professional Practice (Exempting)
8. **The intended subject specific learning outcomes**  
**On successfully completing the module students will be able to demonstrate:**  
**Subject Specific Knowledge and Skills**
  1. A detailed and systematic knowledge and understanding of Debt Finance, including key areas such as: the nature of debt in all its different forms; the key terms and documents involved in secured and unsecured debt transactions; capital markets; novation, assignment, sub-participation and risk participation; debt security; basic structured finance transactions; and current issues and developments within this evolving field.
  2. An ability to recognise situations when ethical issues relating to the Code of Conduct impinge upon practical considerations in devising and implementing solutions to client problems in this area, and to act appropriately in the light of these considerations.
  3. An ability to offer reasoned, appropriate and commercially relevant advice in relation to Debt Finance, in the light of a considered analysis of complex data (including both legal and non-legal source material), taking into account the client's financial, commercial and personal priorities and constraints and the costs, benefits and risks associated with different course of action.
  4. An ability to communicate competent and original solutions to legal problems effectively to both lay and professional clients.

5. An ability to deal with complex client issues systematically and creatively in order to progress a transaction from the outset up to and including post completion matters.

### **General Transferable Skills**

1. An ability to act autonomously in researching and devising solutions to complex client problems, having appraised the client's requirements and identified their goals and objectives at the outset, whilst recognising when further guidance, information or supervision is required.

## **9. A synopsis of the curriculum**

This module introduces students to the realities of advising a client in the context of debt finance using loans and bond issues. In doing so, it introduces them to the key concepts involved, developing the relevant practical knowledge alongside the ability to apply these concepts to commercial situations. Via a case study that assumes the students are in a corporate seat in a law firm and involved in a transaction from the outset, students will apply their knowledge to addressing their client's needs on a week by week basis. The aims are essentially threefold: 1) to develop students' understanding of debt finance; 2) to give practical, hands on experience in advising clients on the issues that occur in the negotiation of loan / bond documentation (including security and guarantees); and 3) to provide a grounding in basic practice that will inform students' future work and will relate to or complement a chosen career path (potentially in a corporate team or any other team that may provide corporate or transactional support).

### **Outline Syllabus**

In the course of studying this module, students will cover the following key areas:

- Introduction to debt finance
- The nature of debt
- Loan provisions
- Events of default
- Analysis a banking transaction, syndication and term sheet
- Representations, undertakings and margin protection
- Due diligence, conditions precedent and transaction structure
- Loan transfers
- Introduction to bonds, including parties and documentation
- Issuing and listing bonds
- Security and credit support; assets, priorities and risks
- Guarantees and debentures
- Structured finance and derivatives

## **10. Reading List (Indicative list, current at time of publication. Reading lists will be published annually)**

All textbooks and practitioner materials will be updated annually. Textbooks will be held in the latest edition and older editions will be withdrawn.

	<ul style="list-style-type: none"> <li>• <b>Title, author, publisher</b></li> </ul>
<b>Core Text</b>	<ul style="list-style-type: none"> <li>• Public Companies and Equity Finance, Mavrikakis, Alexis, Legal Practice Guides</li> </ul>
<b>Recommended Reading</b>	<ul style="list-style-type: none"> <li>• HM Revenue &amp; Customs website [Online] <a href="https://www.gov.uk/government/organisations/hm-revenue-customs">https://www.gov.uk/government/organisations/hm-revenue-customs</a></li> <li>• Financial Conduct Authority website [Online] <a href="http://www.fca.org.uk/">http://www.fca.org.uk/</a></li> <li>• Solicitors Regulation Authority website [Online] <a href="https://www.sra.org.uk/home/home.page">https://www.sra.org.uk/home/home.page</a></li> <li>• Banking and Capital Markets, Adams, D, Legal Practice Guides</li> </ul>

**11. Learning and Teaching Methods, including the nature and number of contact hours and the total study hours which will be expected of students, and how these relate to achievement of the intended module learning outcomes**

Learning and teaching takes place through four key activities. These comprise a blend of technical skills training; guided tasks assisting in self-directed research and study; practical application in a commercial context; and consolidation. Conceptually, the aim of the learning and teaching method is to mirror as closely as possible a trainee's experience in the corporate department of a law firm.

**Part A – Technical skills training**

The trainee is briefed in detail on the relevant legal area (this can take a variety of forms, including, for example: webinars; live and / or recorded lectures; and conference calls).

**Part B – Self-directed research/Guided tasks**

The supervising partner/client partner will guide the trainee via e-mails and/or recorded voicemails into the relevant areas that need to be researched.

This may include reading articles and practitioner texts, drafting documentation for the clients (to be explained to the client / negotiated / executed in Part C), answering various client questions for a board meeting, presenting to the board of the client etc.

**Part C – Seminar**

The trainee will present their findings to the client and/or client partner/supervisor. New issues may arise from the presentation and / or further client information to change the dynamics of advice etc.

**Section D – Consolidation**

This may be in the form of independent reflection / online student discussion forum / associated tutor dialogue (e.g. via email) as students absorb the issues raised in the briefings and seminars through the consolidation process. The student will also be expected as part of consolidation to maintain an updated sale and purchase agreement reflecting the issues that arise as part of the transaction.

The module will aim to ensure the student has all of the applicable practical experience of working on a transaction by requiring drafting and amending of the relevant documentation at each stage.

Activity	Notional Hours of Study
Technical skills training	10
Self-directed research / guided tasks	100 (including assessment preparation and completion)
Seminars	20
Consolidation	20
Total	150

**12. Assessment methods and how these relate to testing achievement of the intended module learning outcomes**

This module will be assessed by a supervised assessment of three hours' duration, split into two parts:

Part A - an examination based on unseen questions set in a transactional context, in which students will be required to analyse various provided documents in order to advise a client or supervising partner accordingly (2 hours) (70%);

Part B – objective testing (1 hour) (30%).

Students will be required to attempt both parts of this assessment. Since the learning outcomes tested by each part overlap (see further detail below) an overall pass of 50% will be sufficient to pass the assessment.

**Rationale**

This methodology reflects two key objectives: firstly, and most importantly, to assess that the learning outcomes set out above have been achieved by the students in a way which complies with the Legal Practice Course Assessment Regulations. Secondly, to align our assessment regime with that proposed by the Solicitors Regulation Authority for the new Solicitors Qualifying Exam.

The proposed assessment methodology, combining a transaction based examination with objective testing we feel achieves both of these goals.

**13. Map of Module Learning Outcomes to Learning and Teaching Methods and methods of Assessment**

Module learning outcome		SS1	SS2	SS3	SS4	SS5	GTS 1
Learning/teaching method	Hours allocate						
Technical skills training	10	X	X	X	X	X	
Self-directed research / guided tasks	100	X	X	X	X	X	X
Seminar	20	X	X	X	X	X	X
Consolidation	20	X	X	X	X	X	X
Assessment method							
Part A Examination		X	X	X	X	X	X
Part B Objective testing		X	X				

**14. The Collaborative Partner recognises and has embedded the expectations of current disability equality legislation, and supports students with a declared disability or special educational need in its teaching. Within this module we will make reasonable adjustments wherever necessary, including additional or substitute materials, teaching modes or assessment methods for students who have declared and discussed their learning support needs. Arrangements for students with declared disabilities will be made on an individual basis, in consultation with the Collaborative Partner's disability/dyslexia support service, and specialist support will be provided where needed.**

1. **Centre where module will be delivered:**  
Pearson College London
  
2. **Partner College/Validated Institution:**  
Pearson Business School, part of Pearson College London
  
3. **University School responsible for the programme:**  
Kent Law School

**FACULTIES SUPPORT OFFICE USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

Date approved	Major/minor revision	Start date of the delivery of revised version	Section revised	Impacts PLOs (Q6&7 cover sheet)