

COMMERCIAL FINANCE TRANSACTIONS

Course Syllabus

Law 5204, Section 18944

Fall, 2026

Title: Commercial Finance Transactions: Understanding commercial loan agreements and key negotiation points.

Instructors: Todd Ransom (Bio and contact info at <https://www.troutman.com/professionals/todd-ransom.html>). Various guest speakers may also be included.

Catalogue Description: This course will immerse students in practical business and legal concepts inherent in commercial financing transactions and demonstrate how those issues manifest themselves in the financing documents drafted by lawyers. Students will learn the provisions of financing documents, and, importantly, learn the legal and business issues behind the provisions. The tools and concepts taught in class lectures will be implemented by students in practice through negotiation and drafting of a commercial loan utilizing real world current forms of a syndicated credit agreement and term sheet. This course will provide the basic foundational legal and business concepts related to commercial loan agreements that practicing attorneys wish all first-year attorneys were already familiar with.

The first half of the course will lay the groundwork for the principal provisions of a commercial loan based upon assigned readings from *The LSTA's Complete Credit Agreement Guide, Second Edition*, and lectures on commercial loan transactions. In the second half of the course, students will be divided into borrower and lender teams serving as the lawyer for their respective “clients” to negotiate key provisions in a Term Sheet and Credit Agreement for a commercial loan. The “clients” will be the course instructors and/or associates working with the course instructors at their respective law firms who will be acting as bankers or corporate borrowers, respectively. With input from the client, groups will negotiate and agree on the final Term Sheet and Credit Agreement. The final work product will be a Credit Agreement redlined against the form. At the end of the course, in class, each group will discuss the final “deal” that was struck and explain the principal points of contention and how they drafted compromises in the documents.

In addition, the second half of the course will cover specialty finance topics including different structures and legal issues that arise in financing different types of assets.

Credit Hours: Two hours. Wednesdays from 5:30-7:30pm.

Proposed Schedule: 14 weeks, consisting of 13 two-hour classes (and one final exam period). Sessions 1-6 will cover assigned readings from the LSTA textbook along with lectures related thereto. Sessions 7-12 will be split between in-class negotiations, drafting of documentation and additional lectures on specialty topics. Session 13 will be a final presentation of lessons learned during in-class negotiations and drafting assignments. Session 14 will be the final exam.

Reading Assignments: Students will be assigned portions of *The LSTA's Complete Credit Agreement Guide, Second Edition*, by Michael Bellucci and Jerome McCluskey (“LSTA”). Lectures will follow the reading assignments and students should be prepared to discuss reading materials in class. Final exam will be based heavily on reading materials and therefore it is imperative for students to comprehend and stay on schedule with all reading materials.

Other Assignments: In between classes (for Sessions 7-12), students will have conference calls with their “clients” and prepare redlines of form Term Sheet and Credit Agreement for review by their opposing counsel prior to the in-class negotiation sessions.

Class Structure: The classes will include both traditional lecture and transactional negotiation. The first half of the course is intended to provide the student with a background foundation to understand basic concepts in the loan agreement structure, while the second half of the course is designed to provide an overview of specialty topics. During the second half of the course, students will be able to apply this basic foundation of loan agreements through interaction with their “clients” and negotiation of specific points in the term sheet. The instructors will serve as the “clients” for purposes of the negotiations. Students will then incorporate the agreed changes to the term sheet into the credit agreement and negotiate further the final provisions of the credit agreement. Prior to the final class, students will be required to submit versions of their negotiated term sheet and credit agreement showing the changes that were agreed between the parties. The penultimate class will be lecture and discussion with time reserved for students to present the results of their “deal”.

Prerequisites: First year contracts. The teachers are accustomed to training associates with no exposure to finance or loan documentation.

Grading: Students will be graded on class participation (20%) and are expected to attend all classes, participate in the drafting and negotiation exercises (40%), and submit their final work product and a final exam (40%). In the event of illness or other extenuating circumstances causing a student absence, the student must make arrangements with the professors and their negotiation team member to complete missing work. A final exam (short answer) will be administered at the final class.

Learning Outcomes: Students will learn the basic principles of loan transactions, and how those principals are embodied in loan documentation. In addition to the substantive knowledge, students will gain insight into a career path. Increasingly the corporate or transactional legal departments of major law firms are a source of employment for law students, but students have limited opportunities to experience this type of practice during law school. Students who have already chosen this career path will be better prepared, having completed part of the training of a first-year associate.

Experiential Requirement: This course will satisfy the requirements of an experiential courses under the applicable guidelines as a “simulation course”.

Syllabus:

Class 1: Introduction to Financial Transactions – August 26th

1. Discuss class format and structure lecture and negotiation process.
2. Lecture and Discussion on the Elements of Commercial Loan Documentation and uses and purposes of different loan structures (term, revolver, first lien/second lien, acquisition finance, project finance, etc.).
3. Survey of Form of Term Sheet and Form of Loan Agreement

Required Reading for Class 1:

1. LSTA, Chapters 1, 2 (Read only Sections 2.1.1, 2.2, and 2.4), and 3 (Read only Sections 3.1-3.5): Introduction to commercial lending, types of loans, interest and fees.

2. Print out and familiarize yourself with the Form of Term Sheet and Form of Loan Agreement. Will be emailed to students by Professor Ransom prior to the first class.

Class 2: Elements of Secured Loan Documentation – September 2nd

1. Discussion of fundamental principles of loan documentation, payment terms and interest, and conditions precedent.
2. Discussion of ancillary documents negotiated and executed to document loan transactions including: promissory notes, mortgages, security agreements.
3. Discussion of general borrowing base mechanics and collateral valuation as it relates to loan amounts.

Required Reading for Class 2:

LSTA, Chapters 4 and 5. Repayment and Conditions Precedent provisions under Loan Agreements.

Class 3: Representations and Warranties in Loan Agreements – September 9th

Discussion of the structure and use of borrower representations and warranties in the loan agreement.

Required Reading for Class 3:

LSTA, Chapters 6. Representations.

Class 4: Covenants in Loan Agreements – September 16th

Discussion of the structure and use of borrower affirmative, negative and financial covenants in the loan agreement.

Required Reading for Class 4

LSTA, Chapters 7. Covenants.

Class 5: Security and Remedies under Loan Agreements – September 23rd

Discussion of guarantees, security interests and other credit enhancements. Discussion of defaults and remedies against the borrower and collateral.

Required reading for Class 5:

LSTA, Chapters 8 and 9. Security and Remedies.

Class 6: Course Topics Review; Kickoff Meeting for Negotiations – September 30th

1. Look back discussion on topics covered to date.
2. We will assign lender/borrower teams for the loan negotiations, client contact information, and discuss the process of interaction with client and negotiation of the term sheet and loan agreement.

Class 7: In class negotiations – October 7th

Class 8: In class negotiations –October 14th

Class 9: In class negotiations – October 21st

Class 10: In class negotiations – October 28th

Class 11: In class negotiations – November 4th

Class 12: In class negotiations – November 11th

Class 13: Final Presentations – November 18th

Students will present, by teams, the key business issues identified by clients, and how they negotiated and reached compromise on final language. Students will also discuss their assessment of the negotiation process, lessons learned on how to negotiate, talk with clients, and draft credit agreement terms consistent with negotiated issues.

Class 14: Final Exam – Anytime During Exam Window (Tuesday, December 8th – Monday, December 14th)

Short Answer open-book exam based on the readings and lectures.

General Matters:

Honor Code: The UHLC Honor Code applies to all aspects of this course. You are responsible for knowing all Honor Code provisions and for complying with the Honor Code. Please inquire if you have any questions regarding how the Honor Code's provisions apply to specific activities or situations related to this course. Your continuing enrollment in this course is deemed to be a pledge by you under the Honor Code to comply with the Honor Code in relation to this course and to comply with the instructions in the course syllabus.

Mental Health and Wellness Resources: The University of Houston has a number of resources to support students' mental health and overall wellness, including CoogsCARE and the UH Go App. UH Counseling and Psychological Services (CAPS) offers 24/7 mental health support for all students, addressing various concerns like stress, college adjustment and sadness. CAPS provides individual and couples counseling, group therapy, workshops and connections to other support services on and off-campus. For assistance visit uh.edu/caps, call 713-743-5454, or visit a Let's Talk location in-person or virtually. Let's Talk are daily, informal confidential consultations with CAPS therapists where no appointment or paperwork is needed.

Need Support Now? - If you or someone you know is struggling or in crisis, help is available. Call CAPS crisis support 24/7 at 713-743-5454, or the National Suicide and Crisis Lifeline: call or text 988, or chat 988lifeline.org.

Title IX/Sexual Misconduct: Per the UHS Sexual Misconduct Policy, your instructor is a "responsible employee" for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office. Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the Title IX website at <https://uh.edu/equal-opportunity/title-ix-sexual-misconduct/resources/>.

Reasonable Academic Adjustments/Auxiliary Aids: The University of Houston is committed to providing an academic environment and educational programs that are accessible for its students. Any student with a

disability who is experiencing barriers to learning, assessment or participation is encouraged to contact the Justin Dart, Jr. Student Accessibility Center (Dart Center) to learn more about academic accommodations and support that may be available to them. Students seeking academic accommodations will need to register with the Dart Center as soon as possible to ensure timely implementation of approved accommodations. Please contact the Dart Center by visiting the website: <https://uh.edu/accessibility/> calling (713) 743-5400, or emailing jdcenter@Central.UH.EDU.

The Student Health Center offers a Psychiatry Clinic for enrolled UH students. Call 713-743-5149 during clinic hours, Monday through Friday 8 a.m. - 4:30 p.m. to schedule an appointment.

The A.D. Bruce Religion Center offers spiritual support and a variety of programs centered on well-being.

The Center for Student Advocacy and Community (CSAC) is where you can go if you need help but don't know where to start. CSAC is a "home away from home" and serves as a resource hub to help you get the resources needed to support academic and personal success. Through our Cougar Cupboard, all students can get up to 30 lbs of FREE groceries a week. Additionally, we provide 1:1 appointments to get you connected to on- and off-campus resources related to essential needs, safety and advocacy, and more. The Cougar Closet is a registered student organization advised by our office and offers free clothes to students so that all Coogs can feel good in their fit. We also host a series of cultural and community-based events that fosters social connection and helps the cougar community come closer together. Visit the CSAC homepage or follow us on Instagram: @uh_CSAC and @uhcupbrd. YOU belong here.

Women and Gender Resource Center: The mission of the WGRC is to advance the University of Houston and promote the success of all students, faculty, and staff through educating, empowering, and supporting the UH community. The WGRC suite is open to you. Stop by the office for a study space, to take a break, grab a snack, or check out one of the WGRC programs or resources. Stop by Student Center South room B12 (Basement floor near Starbucks and down the hall from Creation Station) from 9 am to 5 pm Monday through Friday.

Recording of Class: Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the Justin Dart, Jr. Student Accessibility Center. If you have an accommodation to record class related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with anyone without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

Resources for Online Learning: The University of Houston is committed to student success, and provides information to optimize the online learning experience through our Power-On website (<https://uh.edu/power-on/learning/>). Please visit this website for a comprehensive set of resources, tools, and tips including: obtaining access to the internet, AccessUH, Blackboard, and Canvas; using your smartphone as a webcam; and downloading Microsoft Office 365 at no cost. For questions or assistance contact UHOnline@uh.edu.

UH Email: Please check and use your CougarNet email for communications related to this course. Faculty use the CougarNet email to respond to course-related inquiries such as grade queries or progress reports for reasons of FERPA. To access your CougarNet email, login to your Microsoft 365 account with your CougarNet credentials. Visit University Information Technology (UIT) for instructions on how to connect your CougarNet e-mail on a mobile device.

Webcams: Access to a webcam is required for students participating remotely in this course. Webcams must be turned on (state when webcams are required to be on and the academic basis for requiring them to be on). (Example: Webcams must be turned on during exams to ensure the academic integrity of exam administration.)

Security Escorts and Cougar Ride: UHPD continually works with the University community to make the campus a safe place to learn, work, and live. The security escort service is designed for the community members who have safety concerns and would like to have a Security Officer walk with them, for their safety, as they make their way across campus. Based on availability either a UHPD Security Officer or Police Officer will escort students, faculty, and staff to locations beginning and ending on campus. If you feel that you need a Security Officer to walk with you for your safety, please call 713-743-3333. Arrangements may be made for special needs.

Parking and Transportation Services also offers a late-night, on-demand shuttle service called “Cougar Ride” that provides rides to and from all on-campus shuttle stops, as well as the MD Anderson Library, Cougar Village/Moody Towers and the UH Technology Bridge. Rides can be requested through the UH Go app. Days and hours of operation can be found at <https://uh.edu/af-university-services/parking/cougar-ride/>.

Syllabus Changes: Please note that the instructor may need to make modifications to the course syllabus. Notice of such changes will be announced as quickly as possible through email.