

What is a commercial finance practice?

- ◆ Banking lawyers provide legal services to the financial services industry through their representation of lenders, participants, agents, and borrowers in financial transactions. Frequently, the business transactions that finance mergers or acquisitions are complex potentially involving multiple states' jurisdictions and international interests.
- ◆ Banking lawyers also handle transactions that involve refinancing, leveraged acquisitions, recapitalization financings, and tender offers for stock purchase when a company seeks to acquire management or ownership control of a corporation.
- ◆ Commercial law regulates business and commercial transactions. Dealing with both private and public law, commercial law governs corporate contracts, as well as the sale and manufacture of consumer goods.

Where do banking and commercial finance attorneys work?

- ◆ Banks and other financial institutions: Besides banks, other financial institutions that employ banking and commercial finance lawyers include trust companies, credit unions, and commercial financing businesses. Typically, these lawyers are employed as in-house counsel that advise the institution.
- ◆ Law firms: Large and mid-size firms often have departments specializing in banking and finance. Some small boutique banking law firms employ only attorneys that specialize in banking law.
- ◆ State and federal agencies: As the banking and financial industries as heavily regulated by both state and federal law, a number of government agencies employ attorneys specializing in banking and commercial law. Here are just a few of those agencies:
 - Office of the Comptroller of the Currency (OCC)
 - Federal Reserve Bank
 - Federal Deposit Insurance Corporation
 - State commerce commissions

What do the daily activities of a banking and commercial finance attorney look like?

- ◆ Advising clients: Banking lawyers work with their clients to negotiate the detailed terms of agreements, to advise them with regard to business structure, and to help them understand commercial deals.
- ◆ Legal drafting: Banking lawyers write letters, memorandums, internal documents. They also draft forbearance and modification agreements for commercial loans.
- ◆ Reviewing documents: Banking lawyers read the paperwork associated with loans, such as contracts that create security interests or financing agreements.
- ◆ File claims: Banking lawyers may file against business entities or individuals' estates.

How do you get into the practice of banking and commercial finance?

- ◆ Some banking lawyers start out by clerking for a bankruptcy judge.
- ◆ Other banking lawyers start their practice by seeking employment with a bank or other credit transactions organization as early as their first summer after their first year of law school.
- ◆ Some students interview with a firm that practices in the area of banking and commercial financing.
- ◆ Many law students enter this field when they were a finance or economics majors in undergraduate.

What classes should a law student take to prepare them for a practice in banking and commercial finance?

- ◆ Business law classes
 - Antitrust
 - Business organizations
 - Mergers and acquisitions
 - Securities regulation
 - Secured transactions
- ◆ Commercial law classes
 - Bankruptcy
 - Sales
 - Commercial paper
 - Debtor-Creditor

What skills are most important for an attorney working in banking and commercial financing?

- ◆ Negotiation skills
- ◆ Oriented to details and minutiae
- ◆ Legal drafting skills
- ◆ Interpersonal communication
- ◆ Knowledge of banking and regulatory law
- ◆ Good business sense
- ◆ Understanding financial documents (e.g., balance sheets)

Resources for Commercial Finance Practice



University of Memphis
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Join the American Bar Association's Business Law Section

- ◆ https://www.americanbar.org/groups/business_law.html
- ◆ The Section's mission: "The mission of the Business Law Section is to serve its members, the profession, and the public by providing educational resources to its members, assisting members in serving their clients ethically and competently, and furthering the development and improvement of business law."
- ◆ The ABA Business Law Section has three publications:
 - *The Business Lawyer*: The premier, peer-reviewed business law journal, published quarterly.
 - *In The Know*: Earn free business law CLE hours monthly by attending these webinars developed by industry experts. The Section also offers a monthly webinar series focused on fundamentals of key practice areas with *Business Law Basics*.
 - *Business Law Today*: The Section's monthly online magazine.
- ◆ The Business Law Section has a few committees specifically relating to commercial and banking practice:
 - Banking Law Committee: <http://apps.americanbar.org/dch/committee.cfm?com=CL130000>
The mission of the Banking Law Committee is to act as principal Business Law is to act as principal Business Law Section Committee dealing with laws relating to banking and financial services activities conducted through banks and other regulated intermediary financial institutions.
 - Commercial Finance Committee: <http://apps.americanbar.org/dch/committee.cfm?com=CL190000>
The mission of the Commercial Finance Committee is to provide cutting-edge, practical knowledge and guidance for commercial finance, real estate finance, and restructuring lawyers, to focus on new developments and industry practices and to facilitate the development and evolution of commercial finance, real estate finance, and restructuring laws.

Check Out Some Commercial Finance Blogs—Read the Opinions of Professionals Who Live This Field

- ◆ The website www.abladvisor.com/featured-blogs is a portal to a number of quality online articles talking about commercial finance.
- ◆ CFA Blog (<https://commercialfinanceassociationblog.com/>) contains "thoughts by professionals in the asset-based lending and factoring industry."

University of Memphis Law Library Resources

- ◆ *Dalhuisen on Transnational Comparative, Commercial, Financial, and Trade Law*—J.H. Dalhuisen (eBook)
- ◆ *Corporate Governance and Finance Law*—Rosario J. Girasa (eBook)
- ◆ *Banking Law in the United States*—Alfred M. Pollard, Joseph P. Daly
Call No. KF974 .B38 2011 v. 1 (on the 3rd floor of the library)
- ◆ *The Banking Law Journal*—Available on the lower level of the law library (Shelved alphabetically by title)