ANTONIN SCALIA LAW SCHOOL
George Mason University

FALL 2026 COURSE SYLLABUS

Course Number: LAW 240 (001)

Course Title: Law & Regulation of Financial Institutions

Credit Hours: 3.0

Grading Mode: Letter grade

Meeting Day(s)/Time(s): Wednesday from 6:05pm to 9:00pm

Meeting Mode: In-person

Exam Day(s)/Time(s): See school website once posted

Final Exam Mode: Limited open book

Prerequisite(s): N/A

Instructor: Jason A. Derr

Contact Information: jderr@gmu.edu

Office Hours: By appointment (please email)

Course Overview

Welcome to what has been described as the most bizarre, tangled financial regulatory system in the world! This course covers the law and regulation of financial institutions, with an emphasis on U.S. banking law and introductory-level material on securities and insurance law. Studying this material will provide students with an understanding of the various, and often complex, structures of U.S. financial institutions, as well as the substantive rules that apply to their activities.

The material covered in this course will require students to face questions and shape arguments relating to the past, present, and future of financial regulatory law and policy. Why do we have such an unusual financial regulatory framework? What activities are banks authorized to conduct? How do financial institutions make their money and what are the attendant risks? Are there externalities associated with such activities? And, if so, how should the government respond? Is the application of new technologies to the provision of financial services changing everything that came before, or is it simply more of the same?

Additionally, this course will include a variety of practical elements, such as understanding the multiple sources of banking, securities, and insurance law and reviewing specific actions taken by regulators. Throughout, the course will challenge students to consider how they would advise their client or what recommendation they would make to a senior financial regulatory counsel. Students will be expected to evaluate both sides of each issue and to persuasively articulate their position in class.

Perhaps most importantly, the class will strive to bring excitement and energy to the study of U.S. financial services law.

This course, including all assigned material and classroom discussion, does not represent the views of the Board of Governors of the Federal Reserve System or the U.S. government. All course materials and discussions represent the instructor's own viewpoint and should not in any way be construed as a statement or opinion on behalf of either the Board of Governors of the Federal Reserve System or the U.S. government.

Course Learning Outcomes

Students will be able to:

- demonstrate knowledge of the historical development of U.S. financial services law and how this history still shapes a wide range of current laws, regulations, and policies

- define the major legal forms companies use to engage in banking and other forms of financial services, the key legal powers that come with each form (especially with respect to securities and insurance activities), and the associated federal and state regulators that have jurisdiction over each legal entity and activity

- analyze fact patterns that place federal and state financial services laws into conflict and to describe how the law handles such circumstances, particularly in the context of national bank powers and state usury law, as well as the regulation of insurance companies

- demonstrate knowledge of the most important federal consumer financial laws and the powers and responsibilities of the newest federal regulatory agency in this area, the Consumer Financial Protection Bureau

- understand a basic bank balance sheet and to analyze its components under the critically important rules governing bank capital and liquidity

- analyze fact patterns to determine whether banks are in compliance with laws governing loans to one borrower, loans to bank insiders, transactions between banks and their affiliates, and prohibitions on bank tying

- describe the supervision and enforcement approaches and authorities used by the various federal regulatory agencies

- demonstrate knowledge of why banks and other financial institutions fail and the federal and state government's powers and responsibilities in resolving these failures

Reading(s) & Supplement(s):

The casebook for class is Jackson & Tahyar, *Financial Regulation: Law and Policy* (4th ed. 2025) ["J&T"], plus supplemental materials listed below in the Course Schedule & Assignments section.

Grading Policies

Participation & Preparation %:

Class participation will be a very important part of this course. Students will be required to participate frequently and substantively during each class meeting. Consistently insightful class participation may result in a discretionary one-third letter grade increase (e.g., B to B+) while a consistent lack of preparation may result in a discretionary one-third letter grade decrease (e.g., B to B-).

As part of the class participation requirement, beginning at week 2 of the course, at least one student per class will be required to present a financial services news topic to the class. Students may select their presentation date in advance, but involuntary assignments will be made for any classes that lack volunteers. Depending on the class size, students may be required to present on more than one occasion. Articles for presentation must be sent to jderr@gmu.edu 24 hours in advance of class.

Final %:

This course will be graded on the basis of students' performance on a final exam, with an additional class participation component (as described above).

The final exam will be limited open book, which means that you may use your casebook; the course PowerPoint slides; any notes or outlines that you have personally prepared; and copies of any statutory, regulatory, or other materials that are discussed in the casebook or in class.

Classroom Policies

Attendance: Per AR 3-1.4, "maintenance of matriculation requires regular class preparation, participation and attendance, registration in the course of study required for the student's program (full-time or part-time), successive registration for each fall and spring term of each academic year until study is completed, and compliance with all other relevant requirements."

Absences: Per AR 4-1.1, "if a student is absent for any reason for more than 20 percent of the sessions of a course, the student is not eligible for credit in that course. A student who is not present for at least 75 percent of a session of the course is absent from that session."

Use of Technology & AI:

Moderate Use Policy: Generative AI tools may be used in this course for the following purposes, and with the following guidelines. Students may use AI in this course to brainstorm, outline, and study, but may not use AI as the primary source for research, for text of written assignments, during any quiz or exam, nor during Socratic dialogue. Students must use AI tools responsibly, verify facts presented by AI, disclose when AI tools are used to create course work product, properly cite any AI tools utilized, and should be prepared to produce the transcript of prompts and responses upon request. Misuse will be treated as a violation of academic standards.

Use of Electronic Text Books During Exams:

Students are permitted one laptop computer for exam taking purposes. Additional laptop computers or any other electronic data storage devices are not allowed in an exam room, unless permitted by the course instructor's written exam instructions. Electronic text books (e-books) may be used during exams that are designated as open book by the instructor, and the instructor allows text books to be used during the exam and allows access to a student's computer files during the exam (open exam). E-books may not be used in exams where the instructor does not allow students to access their computer files during the exam (secure exam) even if the instructor permits access to text books. If the instructor has blocked access to the internet or computer files, you must bring a hard copy of the allowed text book(s) you wish to consult. Students will need to borrow or otherwise locate a hard copy of the e-book or print resources needed from the e-book to take into the exam room. The instructor determines the length of the examination and whether or not it is secure or open and what, if any, study materials are permitted during the exam. Students are responsible for adhering to the instructor's standards for all examinations, which are included in the examination materials.

Course Schedule & Assignments

The reading assignments primarily comprise the J&T casebook, and all statutory and regulatory provisions discussed within. Please pull all required caselaw reading (that is not already hyperlinked) from your preferred legal research database.

All the material contained in the following reading assignments (including the direct text of the statutory and regulatory provisions discussed within) *and* any additional material discussed in class may be tested on the final exam.

Other required reading assignments may be added to the material below during the semester. If any changes are made to the assigned material, I will be sure to provide sufficient advance notice either in class or by email.

Week 1

Date: August 19, 2026

Topic: Introduction, Syllabus Review, and History of Financial Regulation:

- What is a Bank?
- History of U.S. Financial Regulation: Founding to the Early 2000s

Reading Assignment(s):

- J&T: 3–21 (stop before "Payment Systems"); 36–60 (stop before "Securitization and New Models of Intermediation"); 120–125 (the "Classification Problem")
- *Board of Governors of the Federal Reserve System v. Dimension Financial Corporation*, 474 U.S. 361 (1986)

Week 2

Date: August 26, 2026

Topic: History of Financial Regulation (Continued), Banking Basics, and Who Regulates Whom?

- [Student News Discussion]
- Financial Crisis of 2008 and Beyond
- Banking Business Basics and Balance Sheets
- The Federal Reserve and the Money Supply
- Banking Industry Structure
- Regulatory Structure; Who Regulates Whom and Why
- Entry into Banking
- Judicial Review of Chartering Decisions

Reading Assignment(s):

- J&T: 26–33 (Shadow Banking); 60–74; 75–79; 82–87 (skip notes); 137–142 (stop before "Income Statement"); 144–146; 167–181; 1034–1037 (Changing Monetary Policy Tools)
- *Camp v. Pitts*, 111 U.S. 138 (1973)

Week 3

Date: September 2, 2026

Topic: Preemption, Usury, and National Bank Powers

- Preemption: Interactions Between Federal and State Law
- Usury and Most Favored Lender; Fintech Partnerships
- National Bank Powers

Reading Assignment(s):

- J&T: 181–184 (Competitive Equality); 601–609 (federal preemption before and after the Dodd-Frank Act)
- *Barnett Bank v. Nelson*, 517 U.S. 25 (1996) (only read preemption portion of opinion, pages 27–37)
- 12 U.S.C. § 25b
- *Cantero v. Bank of America*, 602 U.S. 205 (2024)
- *Conti v. Citizens Bank*, 157 F.4th 10 (1st Cir. 20205)

- J&T: 129–136 (Usury and *Marquette Nat'l Bank*); 186–191 (Fintech and Non-Traditional Charters)
- 12 U.S.C. § 85

- J&T: 193–203 (National Bank Powers; skip "Government and Corporate Debt" section for now); 204–206 (stop before "Repo and Securities Lending")
- 12 U.S.C. §§ 29, 371
- *NationsBank of North Carolina v. Variable Annuity Life Insurance Company*, 513 U.S. 251 (1995) (only read case syllabus and footnote 2 in the Court's opinion)

*****NO CLASS SEPTEMBER 9, 2026: Observe a MONDAY schedule*****

Week 4

Date: September 16, 2026

Topic: Securities Law and National Banks' Securities Activities

- [Student News Discussion]
- Securities Regulation Overview
- Securities Registration
- Broker-Dealer Regulation (Margin Rules)
- National Banks' Securities Powers

Reading Assignment(s):

- J&T: 399–416 (securities regulation history and overview); 278–280 (SIPC)
- *Hodges v. Harrison,* 372 F. Supp. 3d 1342 (S.D. Fla. 2019) (only read up to the end of Count 1, pages 1342–1350)
- 15 U.S.C. §§ 77b(a)(1), 77c(a), 77d(a)
- Private Placements - Rule 506(b)
- 12 C.F.R. §§ 220.4, 220.12 (margin rules)

- J&T: 203–204 (national banks' government and corporate debt securities powers) and 209–219 (national banks' securities powers, continued)
- *Securities Industry Association v. Comptroller of the Currency*, 577 F. Supp. 252 (D.D.C. 1983) (skip Section C on McFadden Act)
- *Securities Industry Association v. Board of Governors of the Federal Reserve System*, 468 U.S. 137 (1984) (only read case syllabus)
- *Securities Industry Association v. Board of Governors of the Federal Reserve System*, 807 F.2d 1052 (D.C. Cir. 1986)

Week 5

Date: September 23, 2026

Topic: Insurance Law and National Banks' Insurance Activities

- Student News Discussion]
- Insurance Regulation Overview
- Economic Principles Underlying Insurance
- McCarran-Ferguson Act
- Insurance Company Solvency Regulation
- National Banks' Insurance Powers

Reading Assignment(s):

- J&T: 365–379
- *State Farm Mutual Autom. Ins. Co. v. Moore*, 544 A.2d 1017 (Pa. Super. Ct. 1988)
- 15 U.S.C. §§ 1011-15
- *SEC v. Variable Annuity Life Insurance Company*, 359 U.S. 65 (1959)
- *Blackfeet National Bank v. Nelson*, 171 F.3d 1237 (11th Cir. 1999)

- J&T: 219-220
- 12 U.S.C. § 92
- 15 U.S.C. § 6712
- *NationsBank of North Carolina v. Variable Annuity Life Insurance Company*, 513 U.S. 251 (1995) (skip Section II in the opinion and focus on Section III)
- *Insurance Agents of America v. Ludwig*, 997 F.2d 958 (D.C. Cir. 1993)
- *Independent Insurance Agents of America, Inc. v. Hawke*, 211 F.3d 638 (D.C. Cir. 2000)

Week 6

Date: September 30, 2026

Topic: Bank Holding Companies, Financial Holding Companies, Affiliate Transactions, and Mergers & Acquisitions

- [Student News Discussion]
- Bank Holding Company Basics
- Financial Holding Companies
- Volcker Rule
- Thrift Holding Companies
- Subsidiaries of Banks
- Affiliate Transactions
- M&A and Antitrust Constraints

Reading Assignment(s):

- J&T: 685–714 (holding companies); 245–252 (affiliate transactions); 715–726 (bank antitrust)
- 1995 Bank Merger Guidelines
- *DOJ Withdraws From 1995 Bank Merger Guidelines* (Sept. 17, 2024)
- DOJ's 2024 Banking Addendum to 2023 Merger Guidelines

Week 7

Date: October 7, 2026

Topic: Safety and Soundness: Capital Regulation

- [Student News Discussion]
- Capital Regulation (Basel I, II, and III)
- Prompt Corrective Action
- Stress Testing

Reading Assignment(s):

- J&T: 287–289 (what is capital?); 300–312 (Basel I basics and prompt corrective action); 313–332 (Basel II); 333–345 (Basel III); 349–356 (stress testing and Basel III critiques)

Week 8

Date: October 14, 2026

Topic: Safety and Soundness: Liquidity and Deposit Insurance

- Student News Discussion]
- Bank Runs and Panics
- Basel III Liquidity Requirements

- Federal Reserve Discount Window and Lender of Last Resort
- Deposit Insurance

Reading Assignment(s):

- J&T: 255–278 (bank runs, reserve requirements, and deposit insurance); 346–349 (Basel III liquidity requirements); 1029–1034 (Fed as Lender of Last Resort); 1037–1061 (Fed emergency lending authority)

Week 9

Date: October 21, 2026

Topic: Prudential Rules; Consumer Financial Protection Bureau and Select Federal Consumer Protection Laws

- [Student News Discussion]
- Prudential Rules: Loans to One Borrower and Insider Lending
- Consumer Financial Protection Bureau Overview: Governance, Jurisdiction, and Authority
- Equal Credit Opportunity
- Truth in Lending
- Credit Reporting

Reading Assignment(s):

- J&T: 225–230 (lending limits); 252–253 (loans to insiders)
- Title X of the Dodd-Frank Act (Sections 1001–1002; 1011–1017; 1021–1026)
- J&T: 546–547 (federal consumer protection laws); 550–572 (CFPB overview); 599–601 (lending discrimination); 632–635 (Truth in Lending Act and credit cards); 642-644 (early wage access/buy now, pay later); 648–649 (credit reporting)
- *Household Credit Services, Inc. v. Pfennig*, 541 U.S. 232 (2004)

Week 10

Date: October 28, 2026

Topic: Federal Consumer Protection Law (Continued)

- [Student News Discussion]
- Mortgages
- Predatory Lending
- Debt Collection
- Tying
- Community Reinvestment Act

Reading Assignment(s):

- J&T: 654–656 (neoclassical and behavioral views of consumer protection); 581–595 (mortgages and predatory lending); 647–648 (debt collection); 728–730 (tying); 676 (Community Reinvestment Act)
- *Freeman v. Quicken Loans, Inc.*, 566 U.S. 624 (2012) (RESPA case)
- 12 U.S.C. § 1972(1) (tying statute)

Week 11

Date: November 4, 2026

Topic: Supervision and Enforcement

- [Student News Discussion]
- Supervision: Background and Rating Systems
- Enforcement: Written Agreements; Cease-and-Desist Orders; Suspension, Removal, and Prohibition; Civil Money Penalties; and Criminal Penalties

Reading Assignment(s):

- J&T: 951–966; 970–978; 1002–1011
- *Dodge v. Comptroller of the Currency*, 744 F.3d 148 (D.C. Cir. 2014) (skip Section III at the end of the opinion)

Week 12

Date: November 11, 2026

Topic: Bank Failure

- [Student News Discussion]
- Logic of Receivership
- Appointing a Receiver
- Structuring Resolution
- Marshaling Assets/FDIC Superpowers
- Paying Valid Claims in Order of Priority
- DFA Title II Orderly Liquidation Authority and FDIC "Single Point of Entry" Proposal
- Resolution Planning ("Living Wills")

Reading Assignment(s):

- J&T: 1063–1072 (skip "open bank assistance" section); 1073–1078 (skip notes and problem); 1081–1087; 1089–1094; 1096–1113

Week 13

Date: November 18, 2026

Topic: Foreign Banking Supervision Overview and REVIEW SESSION for FINAL EXAM

- [Student News Discussion]

- Foreign Banking Supervision Overview
- REVIEW SESSION for FINAL EXAM

Reading Assignment(s):

- J&T: 775–779; 785–786; 788–790; 800–804

Student Resources

Antonin Scalia Law School Academic Regulations

GMU Common Course Policies Addendum

Mason Square Services

Mason Square Police
Van Metre Hall, Room 110
Emergency - Dial 911
Escort Services - 703-993-8070
Dispatch – 703-993-2810

Student Support and Advocacy Center (SSAC)

Mason Square Sexual Assault Services:
Van Metre Hall, Room 222D
703-993-8186

Notice of Mandatory Reporting of Sexual Assault, Sexual Harassment, Interpersonal Violence, and Stalking:

As a faculty member, I am designated as a "Non-Confidential Employee," and must report all disclosures of sexual assault, sexual harassment, interpersonal violence, and stalking to Mason's Title IX Coordinator per University Policy 1202. If a student wishes to speak with someone confidentially, please contact one of Mason's confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-380-1434 or Counseling and Psychological Services (CAPS) at 703-993-2380. Students may also seek assistance or support measures from Mason's Title IX Coordinator by calling 703-993-8730, or emailing titleix@gmu.edu.

Mason Square Clinic
Van Metre Hall, Room B102
703-993-2831

Counseling and Psychological Services

Student Health Services

Student Disability Services

University Life