I will describe few behavioral models of learning and memory in emotional situations and how they might lead to pathological behaviors that underlie mood and anxiety disorders as well as PTSD. I will then show findings about the neural representation of these processes, both in humans using imaging (fMRI), and in animal models using electrophysiological recordings from single-neurons. The evidence suggests that mild imbalance in neural circuits that connect the amygdala and the prefrontal-cortex play a major role in emotional learning and memory formation, and in the transition from adaptive normal function to psychiatric conditions.