

2011 -- S 0520

=====
LC01546
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

Introduced By: Senators Miller, and Bates

Date Introduced: March 10, 2011

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 6A-9-102, 6A-9-105, 6A-9-307, 6A-9-311, 6A-9-316, 6A-9-317,
2 6A-9-326, 6A-9-406, 6A-9-408, 6A-9-502, 6A-9-503, 6A-9-507, 6A-9-515, 6A-9-516, 6A-9-518
3 and 6A-9-607 of the General Laws in Chapter 6A-9 entitled "Secured Transactions" are hereby
4 amended to read as follows:

5 **6A-9-102. Definitions.** -- (a) Chapter 9 definitions. - In this chapter:

6 (1) "Accession" means goods that are physically united with other goods in such a
7 manner that the identity of the original goods is not lost.

8 (2) "Account", except as used in "account for", means a right to payment of a monetary
9 obligation, whether or not earned by performance, (i) for property that has been or is to be sold,
10 leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered,
11 (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to
12 be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a
13 charter or other contract, (vii) arising out of the use of a credit or charge card or information
14 contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance
15 operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to
16 operate the game by a State or governmental unit of a State. The term includes health-care-
17 insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper
18 or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v)
19 letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or

1 sold, other than rights arising out of the use of a credit or charge card or information contained on
2 or for use with the card.

3 (3) "Account debtor" means a person obligated on an account, chattel paper, or general
4 intangible. The term does not include persons obligated to pay a negotiable instrument, even if
5 the instrument constitutes part of chattel paper.

6 (4) "Accounting", except as used in "accounting for", means a record:

7 (i) Authenticated by a secured party;

8 (ii) Indicating the aggregate unpaid secured obligations as of a date not more than 35
9 days earlier or 35 days later than the date of the record; and

10 (iii) Identifying the components of the obligations in reasonable detail.

11 (5) "Agricultural lien" means an interest in farm products:

12 (i) Which secures payment or performance of an obligation for:

13 (A) Goods or services furnished in connection with a debtor's farming operation; or

14 (B) Rent on real property leased by a debtor in connection with its farming operation;

15 (ii) Which is created by statute in favor of a person that:

16 (A) In the ordinary course of its business furnished goods or services to a debtor in
17 connection with a debtor's farming operation; or

18 (B) Leased real property to a debtor in connection with the debtor's farming operation;

19 and

20 (iii) Whose effectiveness does not depend on the person's possession of the personal
21 property.

22 (6) "As-extracted collateral" means:

23 (i) Oil, gas, or other minerals that are subject to a security interest that:

24 (A) Is created by a debtor having an interest in the minerals before extraction; and

25 (B) Attaches to the minerals as extracted; or

26 (ii) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other
27 minerals in which the debtor had an interest before extraction.

28 (7) "Authenticate" means:

29 (i) To sign; or

30 (ii) ~~To execute or otherwise adopt a symbol, or encrypt or similarly process a record in~~
31 ~~whole or in part, with the present intent of the authenticating person to identify the person and~~
32 ~~adopt or accept a record~~ With present intent to adopt or accept a record, to attach to or logically
33 associate with the record an electronic sound, symbol, or process.

34 (8) "Bank" means an organization that is engaged in the business of banking. The term

1 includes savings banks, savings and loan associations, credit unions, and trust companies.

2 (9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the
3 like.

4 (10) "Certificate of title" means a certificate of title with respect to which a statute
5 provides for the security interest in question to be indicated on the certificate as a condition or
6 result of the security interest's obtaining priority over the rights of a lien creditor with respect to
7 the collateral. The term includes another record maintained as an alternative to a certificate of title
8 by the governmental unit that issues certificates of title if a statute permits the security interest in
9 question to be indicated on the record as a condition or result of the security interest's obtaining
10 priority over the rights of a lien creditor with respect to the collateral.

11 (11) "Chattel paper" means a record or records that evidence both a monetary obligation
12 and a security interest in specific goods, a security interest in specific goods and software used in
13 the goods, a security interest in specific goods and license of software used in the goods, a lease
14 of specific goods, or a lease of specific goods and license of software used in the goods. In this
15 paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed
16 under a lease of the goods and includes a monetary obligation with respect to software used in the
17 goods. The term does not include (i) charters or other contracts involving the use or hire of a
18 vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge
19 card or information contained on or for use with the card. If a transaction is evidenced by records
20 that include an instrument or series of instruments, the group of records taken together constitutes
21 chattel paper.

22 (12) "Collateral" means the property subject to a security interest or agricultural lien. The
23 term includes:

24 (i) Proceeds to which a security interest attaches;

25 (ii) Accounts, chattel paper, payment intangibles, and promissory notes that have been
26 sold; and

27 (iii) Goods that are the subject of a consignment.

28 (13) "Commercial tort claim" means a claim arising in tort with respect to which:

29 (i) The claimant is an organization; or

30 (ii) The claimant is an individual and the claim:

31 (A) Arose in the course of the claimant's business or profession; and

32 (B) Does not include damages arising out of personal injury to or the death of an
33 individual.

34 (14) "Commodity account" means an account maintained by a commodity intermediary

1 in which a commodity contract is carried for a commodity customer.

2 (15) "Commodity contract" means a commodity futures contract, an option on a
3 commodity futures contract, a commodity option, or another contract if the contract or option is:

4 (i) Traded on or subject to the rules of a board of trade that has been designated as a
5 contract market for such a contract pursuant to federal commodities laws; or

6 (ii) Traded on a foreign commodity board of trade, exchange, or market, and is carried
7 on the books of a commodity intermediary for a commodity customer.

8 (16) "Commodity customer" means a person for which a commodity intermediary carries
9 a commodity contract on its books.

10 (17) "Commodity intermediary" means a person that:

11 (i) Is registered as a futures commission merchant under federal commodities law; or

12 (ii) In the ordinary course of its business provides clearance or settlement services for a
13 board of trade that has been designated as a contract market pursuant to federal commodities law.

14 (18) "Communicate" means:

15 (i) To send a written or other tangible record;

16 (ii) To transmit a record by any means agreed upon by the persons sending and receiving
17 the record; or

18 (iii) In the case of transmission of a record to or by a filing office, to transmit a record by
19 any means prescribed by filing-office rule.

20 (19) "Consignee" means a merchant to which goods are delivered in a consignment.

21 (20) "Consignment" means a transaction, regardless of its form, in which a person
22 delivers goods to a merchant for the purpose of sale and:

23 (i) The merchant:

24 (A) Deals in goods of that kind under a name other than the name of the person making
25 delivery;

26 (B) Is not an auctioneer; and

27 (C) Is not generally known by its creditors to be substantially engaged in selling the
28 goods of others;

29 (ii) With respect to each delivery, the aggregate value of the goods is \$1,000 or more at
30 the time of delivery;

31 (iii) The goods are not consumer goods immediately before delivery; and

32 (iv) The transaction does not create a security interest that secures an obligation.

33 (21) "Consignor" means a person that delivers goods to a consignee in a consignment.

34 (22) "Consumer debtor" means a debtor in a consumer transaction.

1 (23) "Consumer goods" means goods that are used or bought for use primarily for
2 personal, family, or household purposes.

3 (24) "Consumer-goods transaction" means a consumer transaction in which:

4 (i) An individual incurs an obligation primarily for personal, family, or household
5 purposes; and

6 (ii) A security interest in consumer goods secures the obligation.

7 (25) "Consumer obligor" means an obligor who is an individual and who incurred the
8 obligation as part of a transaction entered into primarily for personal, family, or household
9 purposes.

10 (26) "Consumer transaction" means a transaction in which (i) an individual incurs an
11 obligation primarily for personal, family, or household purposes, (ii) a security interest secures
12 the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or
13 household purposes. The term includes consumer-goods transactions.

14 (27) "Continuation statement" means an amendment of a financing statement which:

15 (i) Identifies, by its file number, the initial financing statement to which it relates; and

16 (ii) Indicates that it is a continuation statement for, or that it is filed to continue the
17 effectiveness of, the identified financing statement.

18 (28) "Debtor" means:

19 (i) A person having an interest, other than a security interest or other lien, in the
20 collateral, whether or not the person is an obligor;

21 (ii) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or

22 (iii) A consignee.

23 (29) "Deposit account" means a demand, time, savings, passbook, or similar account
24 maintained with a bank. The term does not include investment property or accounts evidenced by
25 an instrument.

26 (30) "Document" means a document of title or a receipt of the type described in
27 subsection 6A-7-201(b).

28 (31) "Electronic chattel paper" means chattel paper evidenced by a record or records
29 consisting of information stored in an electronic medium.

30 (32) "Encumbrance" means a right, other than an ownership interest, in real property.
31 The term includes mortgages and other liens on real property.

32 (33) "Equipment" means goods other than inventory, farm products, or consumer goods.

33 (34) "Farm products" means goods, other than standing timber, with respect to which the
34 debtor is engaged in a farming operation and which are:

1 (i) Crops grown, growing, or to be grown, including:
2 (A) Crops produced on trees, vines, and bushes; and
3 (B) Aquatic goods, including seaweeds, produced in aquacultural operations;
4 (ii) Livestock, born or unborn, including fish, shellfish and other aquatic goods produced
5 in aquacultural operations;
6 (iii) Supplies used or produced in a farming operation; or
7 (iv) Products of crops or livestock in their unmanufactured states.
8 (35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or
9 any other farming, livestock, or aquacultural operation.
10 (36) "File number" means the number assigned to an initial financing statement pursuant
11 to section 6A-9-519(a).
12 (37) "Filing office" means an office designated in section 6A-9-501 as the place to file a
13 financing statement.
14 (38) "Filing-office rule" means a rule adopted pursuant to section 6A-9-526.
15 (39) "Financing statement" means a record or records composed of an initial financing
16 statement and any filed record relating to the initial financing statement.
17 (40) "Fixture filing" means the filing of a financing statement covering goods that are or
18 are to become fixtures and satisfying section 6A-9-502(a) and (b). The term includes the filing of
19 a financing statement covering goods of a transmitting utility which are or are to become fixtures.
20 (41) "Fixtures" means goods that have become so related to particular real property that
21 an interest in them arises under real property law.
22 (42) "General intangible" means any personal property, including things in action, other
23 than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods,
24 instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or
25 other minerals before extraction. The term includes payment intangibles and software.
26 (43) "Good faith" means honesty in fact and the observance of reasonable commercial
27 standards of fair dealing.
28 (44) "Goods" means all things that are movable when a security interest attaches. The
29 term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or
30 contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown,
31 even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term
32 also includes a computer program embedded in goods and any supporting information provided
33 in connection with a transaction relating to the program if (i) the program is associated with the
34 goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the

1 owner of the goods, a person acquires a right to use the program in connection with the goods.
2 The term does not include a computer program embedded in goods that consist solely of the
3 medium in which the program is embedded. The term also does not include accounts, chattel
4 paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments,
5 investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals
6 before extraction.

7 (45) "Governmental unit" means a subdivision, agency, department, county, parish,
8 municipality, or other unit of the government of the United States, a State, or a foreign country.
9 The term includes an organization having a separate corporate existence if the organization is
10 eligible to issue debt on which interest is exempt from income taxation under the laws of the
11 United States.

12 (46) "Health-care-insurance receivable" means an interest in or claim under a policy of
13 insurance which is a right to payment of a monetary obligation for health-care goods or services
14 provided or to be provided.

15 (47) "Instrument" means a negotiable instrument or any other writing that evidences a
16 right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of
17 a type that in ordinary course of business is transferred by delivery with any necessary
18 indorsement or assignment. The term does not include (i) investment property, (ii) letters of
19 credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge
20 card or information contained on or for use with the card.

21 (48) "Inventory" means goods, other than farm products, which:

22 (i) Are leased by a person as lessor;

23 (ii) Are held by a person for sale or lease or to be furnished under a contract of service;

24 (iii) Are furnished by a person under a contract of service; or

25 (iv) Consist of raw materials, work in process, or materials used or consumed in a
26 business.

27 (49) "Investment property" means a security, whether certificated or uncertificated,
28 security entitlement, securities account, commodity contract, or commodity account.

29 (50) "Jurisdiction of organization", with respect to a registered organization, means the
30 jurisdiction under whose law the organization is [formed or](#) organized.

31 (51) "Letter-of-credit right" means a right to payment or performance under a letter of
32 credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment
33 or performance. The term does not include the right of a beneficiary to demand payment or
34 performance under a letter of credit.

1 (52) "Lien creditor" means:

2 (i) A creditor that has acquired a lien on the property involved by attachment, levy, or
3 the like;

4 (ii) An assignee for benefit of creditors from the time of assignment;

5 (iii) A trustee in bankruptcy from the date of the filing of the petition; or

6 (iv) A receiver in equity from the time of appointment.

7 (53) "Manufactured home" means a structure, transportable in one or more sections,
8 which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in
9 length, or, when erected on site, is 320 or more square feet, and which is built on a permanent
10 chassis and designed to be used as a dwelling with or without a permanent foundation when
11 connected to the required utilities, and includes the plumbing, heating, air-conditioning, and
12 electrical systems contained therein. The term includes any structure that meets all of the
13 requirements of this paragraph except the size requirements and with respect to which the
14 manufacturer voluntarily files a certification required by the United States Secretary of Housing
15 and Urban Development and complies with the standards established under Title 42 of the United
16 States Code.

17 (54) "Manufactured-home transaction" means a secured transaction:

18 (i) That creates a purchase-money security interest in a manufactured home, other than a
19 manufactured home held as inventory; or

20 (ii) In which a manufactured home, other than a manufactured home held as inventory, is
21 the primary collateral.

22 (55) "Mortgage" means a consensual interest in real property, including fixtures, which
23 secures payment or performance of an obligation.

24 (56) "New debtor" means a person that becomes bound as debtor under section 6A-9-
25 203(d) by a security agreement previously entered into by another person.

26 (57) "New value" means (i) money, (ii) money's worth in property, services, or new
27 credit, or (iii) release by a transferee of an interest in property previously transferred to the
28 transferee. The term does not include an obligation substituted for another obligation.

29 (58) "Noncash proceeds" means proceeds other than cash proceeds.

30 (59) "Obligor" means a person that, with respect to an obligation secured by a security
31 interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the
32 obligation, (ii) has provided property other than the collateral to secure payment or other
33 performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or
34 other performance of the obligation. The term does not include issuers or nominated persons

1 under a letter of credit.

2 (60) "Original debtor," except as used in section 6A-9-310(c), means a person that, as
3 debtor, entered into a security agreement to which a new debtor has become bound under section
4 6A-9-203(d).

5 (61) "Payment intangible" means a general intangible under which the account debtor's
6 principal obligation is a monetary obligation.

7 (62) "Person related to", with respect to an individual, means:

8 (i) The spouse of the individual;

9 (ii) A brother, brother-in-law, sister, or sister-in-law of the individual;

10 (iii) An ancestor or lineal descendant of the individual or the individual's spouse; or

11 (iv) Any other relative, by blood or marriage, of the individual or the individual's spouse
12 who shares the same home with the individual.

13 (63) "Person related to", with respect to an organization, means:

14 (i) A person directly or indirectly controlling, controlled by, or under common control
15 with the organization;

16 (ii) An officer or director of, or a person performing similar functions with respect to, the
17 organization;

18 (iii) An officer or director of, or a person performing similar functions with respect to, a
19 person described in subparagraph (i);

20 (iv) The spouse of an individual described in subparagraph (i), (ii), or (iii); or

21 (v) An individual who is related by blood or marriage to an individual described in
22 subparagraph (i), (ii), (iii), or (iv) and shares the same home with the individual.

23 (64) "Proceeds," except as used in section 6A-9-609(b), means the following property:

24 (i) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of
25 collateral;

26 (ii) Whatever is collected on, or distributed on account of, collateral;

27 (iii) Rights arising out of collateral;

28 (iv) To the extent of the value of collateral, claims arising out of the loss, nonconformity,
29 or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

30 (v) To the extent of the value of collateral and to the extent payable to the debtor or the
31 secured party, insurance payable by reason of the loss or nonconformity of, defects or
32 infringement of rights in, or damage to, the collateral.

33 (65) "Promissory note" means an instrument that evidences a promise to pay a monetary
34 obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank

1 that the bank has received for deposit a sum of money or funds.

2 (66) "Proposal" means a record authenticated by a secured party which includes the
3 terms on which the secured party is willing to accept collateral in full or partial satisfaction of the
4 obligation it secures pursuant to sections 6A-9-620, 6A-9-621, and 6A-9-622.

5 (67) "Public-finance transaction" means a secured transaction in connection with which:

6 (i) Debt securities are issued;

7 (ii) All or a portion of the securities issued have an initial stated maturity of at least 20
8 years; and

9 (iii) The debtor, obligor, secured party, account debtor or other person obligated on
10 collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security
11 interest is a State or a governmental unit of a State.

12 (68) "Public organic record" means a record that is available to the public for inspection
13 and is:

14 (i) A record of consisting of the record initially filed with or issued by a state or the
15 United States to form or organize and organization and any record filed with or issued by the state
16 of the United States which amends or restates the initial record;

17 (ii) An organic record of a business trust consisting of the record initially filed with a
18 state and any record filed with the state which amends or restates the initial record, if a statute of
19 the state governing business trusts requires that the record be filed with the state; or

20 (iii) A record consisting of legislation enacted by the legislature of a state or the Congress
21 of the United States which forms or organizes an organization, any record amending the
22 legislation, and any record filed with or issued by the state or the United States which amends or
23 restates the name of the organization.

24 ~~(68)~~(69) "Pursuant to commitment", with respect to an advance made or other value
25 given by a secured party, means pursuant to the secured party's obligation, whether or not a
26 subsequent event of default or other event not within the secured party's control has relieved or
27 may relieve the secured party from its obligation.

28 ~~(69)~~(70) "Record", except as used in "for record", "of record", "record or legal title", and
29 "record owner", means information that is inscribed on a tangible medium or which is stored in
30 an electronic or other medium and is retrievable in perceivable form.

31 ~~(70)~~(71) "Registered organization" means an organization formed or organized solely
32 under the law of a single State or the United States ~~and as to which the State or the United States~~
33 ~~must maintain a public record showing the organization to have been organized~~ by the filing of a
34 public organic record with, the issuance of a public organic record by, or the enactment of

1 legislation by the state or United States. The term includes a business trust that is formed or
2 organized under the law of a single state if a statute of the state governing business trusts requires
3 that the business trust's organic record be filed with the state.

4 ~~(74)~~(72) "Secondary obligor" means an obligor to the extent that:

5 (i) The obligor's obligation is secondary; or

6 (ii) The obligor has a right of recourse with respect to an obligation secured by collateral
7 against the debtor, another obligor, or property of either.

8 ~~(72)~~(73) "Secured party" means:

9 (i) A person in whose favor a security interest is created or provided for under a security
10 agreement, whether or not any obligation to be secured is outstanding;

11 (ii) A person that holds an agricultural lien;

12 (iii) A consignor;

13 (iv) A person to which accounts, chattel paper, payment intangibles, or promissory notes
14 have been sold;

15 (v) A trustee, indenture trustee, agent, collateral agent, or other representative in whose
16 favor a security interest or agricultural lien is created or provided for; or

17 (vi) A person that holds a security interest arising under section 6A-2-401, 6A-2-505,
18 6A-2-711(3), 6A-2.1-508(5), 6A-4-210, or 6A-5-118.

19 ~~(73)~~(74) "Security agreement" means an agreement that creates or provides for a security
20 interest.

21 ~~(74)~~(75) "Send", in connection with a record or notification, means:

22 (i) To deposit in the mail, deliver for transmission, or transmit by any other usual means
23 of communication, with postage or cost of transmission provided for, addressed to any address
24 reasonable under the circumstances; or

25 (ii) To cause the record or notification to be received within the time that it would have
26 been received if properly sent under subparagraph (i).

27 ~~(75)~~(76) "Software" means a computer program and any supporting information
28 provided in connection with a transaction relating to the program. The term does not include a
29 computer program that is included in the definition of goods.

30 ~~(76)~~(77) "State" means a State of the United States, the District of Columbia, Puerto
31 Rico, the United States Virgin Islands, or any territory or insular possession subject to the
32 jurisdiction of the United States.

33 ~~(77)~~(78) "Supporting obligation" means a letter-of-credit right or secondary obligation
34 that supports the payment or performance of an account, chattel paper, a document, a general

1 intangible, an instrument, or investment property.

2 ~~(78)~~(79) "Tangible chattel paper" means chattel paper evidenced by a record or records
3 consisting of information that is inscribed on a tangible medium.

4 ~~(79)~~(80) "Termination statement" means an amendment of a financing statement which:

5 (i) Identifies, by its file number, the initial financing statement to which it relates; and

6 (ii) Indicates either that it is a termination statement or that the identified financing
7 statement is no longer effective.

8 ~~(80)~~(81) "Transmitting utility" means a person primarily engaged in the business of:

9 (i) Operating a railroad, subway, street railway, or trolley bus;

10 (ii) Transmitting communications electrically, electromagnetically, or by light;

11 (iii) Transmitting goods by pipeline or sewer; or

12 (iv) Transmitting or producing and transmitting electricity, steam, gas, or water.

13 (b) Definitions in other chapters. - "Control" as provided in section 6A-7-206 and the
14 following definitions in other chapters apply to this chapter:

15 "Applicant" section 6A-5-102.

16 "Beneficiary" section 6A-5-102.

17 "Broker" section 6A-8-102.

18 "Certificated security" section 6A-8-102.

19 "Check" section 6A-3-104.

20 "Clearing corporation" section 6A-8-102.

21 "Contract for sale" section 6A-2-106.

22 "Customer" section 6A-4-104.

23 "Entitlement holder" section 6A-8-102.

24 "Financial asset" section 6A-8-102.

25 "Holder in due course" section 6A-3-302.

26 "Issuer" (with respect to a letter of
27 credit or letter-of-credit right) section 6A-5-102.

28 "Issuer" (with respect to a security) section 6A-8-201.

29 "Issuer" (with respect to documents of title) section 6A-7-102.

30 "Lease" section 6A-2.1-103.

31 "Lease agreement" section 6A-2.1-103.

32 "Lease contract" section 6A-2.1-103.

33 "Leasehold interest" section 6A-2.1-103.

34 "Lessee" section 6A-2.1-103.

| | | |
|----|---|---------------------|
| 1 | "Lessee in ordinary course of business" | section 6A-2.1-103. |
| 2 | "Lessor" | section 6A-2.1-103. |
| 3 | "Lessor's residual interest" | section 6A-2.1-103. |
| 4 | "Letter of credit" | section 6A-5-102. |
| 5 | "Merchant" | section 6A-2-104. |
| 6 | "Negotiable instrument" | section 6A-3-104. |
| 7 | "Nominated person" | section 6A-5-102. |
| 8 | "Note" | section 6A-3-104. |
| 9 | "Proceeds of a letter of credit" | section 6A-5-114. |
| 10 | "Prove" | section 6A-3-103. |
| 11 | "Sale" | section 6A-2-106. |
| 12 | "Securities account" | section 6A-8-501. |
| 13 | "Securities intermediary" | section 6A-8-102. |
| 14 | "Security" | section 6A-8-102. |
| 15 | "Security certificate" | section 6A-8-102. |
| 16 | "Security entitlement" | section 6A-8-102. |
| 17 | "Uncertificated security" | section 6A-8-102. |

18 (c) Chapter 1 definitions and principles. - Chapter 1 of this title contains general
19 definitions and principles of construction and interpretation applicable throughout this chapter.

20 **6A-9-105. Control of electronic chattel paper.** – (a) General rule: control of electronic
21 chattel paper ~~A secured party has control of electronic chattel paper if the record or records~~
22 ~~comprising the chattel paper are created, stored, and assigned in such a manner that:~~ A secured
23 party has control of electronic chattel paper if a system employed for evidencing the transfer of
24 interests in the chattel paper reliably establishes the secured party as the person to which the
25 chattel paper was assigned.

26 (b) Specific facts giving control. A system satisfies subsection (a) if the record or records
27 comprising the chattel paper are created, stored, and assigned in such a manner that:

28 (1) A single authoritative copy of the record or records exists which is unique,
29 identifiable and, except as otherwise provided in paragraphs (4), (5), and (6), unalterable;

30 (2) The authoritative copy identifies the secured party as the assignee of the record or
31 records;

32 (3) The authoritative copy is communicated to and maintained by the secured party or its
33 designated custodian;

34 (4) Copies or ~~revisions~~ amendments that add or change an identified assignee of the

1 authoritative copy can be made only with the ~~participation~~ consent of the secured party;

2 (5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a
3 copy that is not the authoritative copy; and

4 (6) Any ~~revision~~ amendment of the authoritative copy is readily identifiable as ~~an~~
5 authorized or unauthorized ~~revision~~.

6 **6A-9-307. Location of debtor.** -- (a) "Place of business." - In this section, "place of
7 business" means a place where a debtor conducts its affairs.

8 (b) Debtor's location: general rules. - Except as otherwise provided in this section, the
9 following rules determine a debtor's location:

10 (1) A debtor who is an individual is located at the individual's principal residence.

11 (2) A debtor that is an organization and has only one place of business is located at its
12 place of business.

13 (3) A debtor that is an organization and has more than one place of business is located at
14 its chief executive office.

15 (c) Limitation of applicability of subsection (b). - Subsection (b) applies only if a
16 debtor's residence, place of business, or chief executive office, as applicable, is located in a
17 jurisdiction whose law generally requires information concerning the existence of a
18 nonpossessory security interest to be made generally available in a filing, recording, or
19 registration system as a condition or result of the security interest's obtaining priority over the
20 rights of a lien creditor with respect to the collateral. If subsection (b) does not apply, the debtor
21 is located in the District of Columbia.

22 (d) Continuation of location: cessation of existence, etc. - A person that ceases to exist,
23 have a residence, or have a place of business continues to be located in the jurisdiction specified
24 by subsections (b) and (c).

25 (e) Location of registered organization organized under State law. - A registered
26 organization that is organized under the law of a State is located in that State.

27 (f) Location of registered organization organized under federal law; bank branches and
28 agencies. - Except as otherwise provided in subsection (i), a registered organization that is
29 organized under the law of the United States and a branch or agency of a bank that is not
30 organized under the law of the United States or a State are located:

31 (1) In the State that the law of the United States designates, if the law designates a State
32 of location;

33 (2) In the State that the registered organization, branch, or agency designates, if the law
34 of the United States authorizes the registered organization, branch, or agency to designate its

1 State of location including by designating its main office, home office or other comparable office;

2 or

3 (3) In the District of Columbia, if neither paragraph (1) nor paragraph (2) applies.

4 (g) Continuation of location: change in status of registered organization. - A registered
5 organization continues to be located in the jurisdiction specified by subsection (e) or (f)
6 notwithstanding:

7 (1) The suspension, revocation, forfeiture, or lapse of the registered organization's status
8 as such in its jurisdiction of organization; or

9 (2) The dissolution, winding up, or cancellation of the existence of the registered
10 organization.

11 (h) Location of United States. - The United States is located in the District of Columbia.

12 (i) Location of foreign bank branch or agency if licensed in only one state. - A branch or
13 agency of a bank that is not organized under the law of the United States or a State is located in
14 the State in which the branch or agency is licensed, if all branches and agencies of the bank are
15 licensed in only one State.

16 (j) Location of foreign air carrier. - A foreign air carrier under the Federal Aviation Act
17 of 1958, as amended, is located at the designated office of the agent upon which service of
18 process may be made on behalf of the carrier.

19 (k) Section applies only to this part. - This section applies only for purposes of this part.

20 **6A-9-311. Perfection of security interests in property subject to certain statutes,**

21 **regulations, and treaties.** -- (a) Security interest subject to other law. - Except as otherwise
22 provided in subsection (d), the filing of a financing statement is not necessary or effective to
23 perfect a security interest in property subject to:

24 (1) A statute, regulation, or treaty of the United States whose requirements for a security
25 interest's obtaining priority over the rights of a lien creditor with respect to the property preempt
26 section 6A-9-310(a);

27 (2) A statute of this State, which provides for a security interest to be indicated on ~~the~~ a
28 certificate as a condition or result of perfection, including chapter 3.1 of Title 31 and chapter 22.1
29 of Title 46; or

30 (3) A ~~certificate of title~~ statute of another jurisdiction which provides for a security
31 interest to be indicated on ~~the~~ a certificate of title as a condition or result of the security interest's
32 obtaining priority over the rights of a lien creditor with respect to the property.

33 (b) Compliance with other law. - Compliance with the requirements of a statute,
34 regulation, or treaty described in subsection (a) for obtaining priority over the rights of a lien

1 creditor is equivalent to the filing of a financing statement under this chapter. Except as otherwise
2 provided in subsection (d) and section 6A-9-313 and section 6A-9-316(d) and (e) for goods
3 covered by a certificate of title, a security interest in property subject to a statute, regulation, or
4 treaty described in subsection (a) may be perfected only by compliance with those requirements,
5 and a security interest so perfected remains perfected notwithstanding a change in the use or
6 transfer of possession of the collateral.

7 (c) Duration and renewal of perfection. - Except as otherwise provided in subsection (d)
8 and section 6A-9-316(d) and (e), duration and renewal of perfection of a security interest
9 perfected by compliance with the requirements prescribed by a statute, regulation, or treaty
10 described in subsection (a) are governed by the statute, regulation, or treaty. In other respects, the
11 security interest is subject to this chapter.

12 (d) Inapplicability to certain inventory. - During any period in which collateral subject to
13 a statute specified in subsection (a)(2) is inventory held for sale or lease by a person or le ased by
14 that person as lessor and that person is in the business of selling or leasing goods of that kind, this
15 section does not apply to a security interest in that collateral created by that person.

16 **6A-9-316. Continued perfection of security interest following change in governing**
17 **law. — Effect of change in governing law. --** (a) General rule: effect on perfection of change in
18 governing law. - A security interest perfected pursuant to the law of the jurisdiction designated in
19 section 6A-9-301(1) or 6A-9-305(c) remains perfected until the earliest of:

20 (1) The time perfection would have ceased under the law of that jurisdiction;

21 (2) The expiration of four months after a change of the debtor's location to another
22 jurisdiction; or

23 (3) The expiration of one year after a transfer of collateral to a person that thereby
24 becomes a debtor and is located in another jurisdiction.

25 (b) Security interest perfected or unperfected under law of new jurisdiction. - If a
26 security interest described in subsection (a) becomes perfected under the law of the other
27 jurisdiction before the earliest time or event described in that subsection, it remains perfected
28 thereafter. If the security interest does not become perfected under the law of the other
29 jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have
30 been perfected as against a purchaser of the collateral for value.

31 (c) Possessory security interest in collateral moved to new jurisdiction. - A possessory
32 security interest in collateral, other than goods covered by a certificate of title and as-extracted
33 collateral consisting of goods, remains continuously perfected if:

34 (1) The collateral is located in one jurisdiction and subject to a security interest perfected

1 under the law of that jurisdiction;

2 (2) Thereafter the collateral is brought into another jurisdiction; and

3 (3) Upon entry into the other jurisdiction, the security interest is perfected under the law
4 of the other jurisdiction.

5 (d) Goods covered by certificate of title from this state. - Except as otherwise provided in
6 subsection (e), a security interest in goods covered by a certificate of title which is perfected by
7 any method under the law of another jurisdiction when the goods become covered by a certificate
8 of title from this State remains perfected until the security interest would have become
9 unperfected under the law of the other jurisdiction had the goods not become so covered.

10 (e) When subsection (d) security interest becomes unperfected against purchasers. - A
11 security interest described in subsection (d) becomes unperfected as against a purchaser of the
12 goods for value and is deemed never to have been perfected as against a purchaser of the goods
13 for value if the applicable requirements for perfection under section 6A-9-311(b) or 6A-9-313 are
14 not satisfied before the earlier of:

15 (1) The time the security interest would have become unperfected under the law of the
16 other jurisdiction had the goods not become covered by a certificate of title from this State; or

17 (2) The expiration of four months after the goods had become so covered.

18 (f) Change in jurisdiction of bank, issuer, nominated person, securities intermediary, or
19 commodity intermediary. - A security interest in deposit accounts, letter-of-credit rights, or
20 investment property which is perfected under the law of the bank's jurisdiction, the issuer's
21 jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the
22 commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

23 (1) The time the security interest would have become unperfected under the law of that
24 jurisdiction; or

25 (2) The expiration of four months after a change of the applicable jurisdiction to another
26 jurisdiction.

27 (g) Subsection (f) security interest perfected or unperfected under law of new
28 jurisdiction. - If a security interest described in subsection (f) becomes perfected under the law of
29 the other jurisdiction before the earlier of the time or the end of the period described in that
30 subsection, it remains perfected thereafter. If the security interest does not become perfected
31 under the law of the other jurisdiction before the earlier of that time or the end of that period, it
32 becomes unperfected and is deemed never to have been perfected as against a purchaser of the
33 collateral for value.

34 [\(h\) Effect on filed financing statement of change in governing law. The following](#)

1 rules apply to collateral to which a security interest attaches within four (4) months after the
2 debtor changes its location to another jurisdiction:

3 (1) A financing statement filed before the change pursuant to the law of the jurisdiction
4 designated in subdivision 6A-9-301(1) or subsection 6A-9-305(c) is effective to perfect a security
5 interest in the collateral if the financing statement would have been effective to perfect a security
6 interest in the collateral had the debtor not changed its location.

7 (2) If a security interest perfected by a financing statement that is effective under
8 subdivision (1) becomes perfected under the law of the other jurisdiction before the earlier of the
9 time the financing statement would have become ineffective under the law of the jurisdiction
10 designated in subdivision 6A-9-301(1) or subsection 6A-9-305(c) or the expiration of the four (4)
11 month period, it remains perfected thereafter. If the security interest does not become perfected
12 under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and
13 is deemed never to have been perfected as against a purchaser of the collateral for value.

14 (i) Effect of change in governing law on financing statement filed against original debtor.
15 If a financing statement naming an original debtor is filed pursuant to the law of the jurisdiction
16 designated in subdivision 6A-9-301(1) or subsection 6A-9-305(c) and the new debtor is located in
17 another jurisdiction, the following rules apply:

18 (1) The financing statement is effective to perfect a security interest in collateral acquired
19 by the new debtor before, and within four (4) months after, the new debtor becomes bound under
20 subsection 6A-9-203(d), if the financing statement would have been effective to perfect a security
21 interest in the collateral had the collateral been acquired by the original debtor.

22 (2) A security interest perfected by the financing statement and which becomes perfected
23 under the law of the other jurisdiction before the earlier of the time the financing statement would
24 have become ineffective under the law of the jurisdiction designated in subdivision 6A-9-301(1)
25 or subsection 6A-9-305(c) or the expiration of the four (4) month period remains perfected
26 thereafter. A security interest that is perfected by the financing statement but which does not
27 become perfected under the law of the other jurisdiction before the earlier time or event becomes
28 unperfected and is deemed never to have been perfected as against a purchaser of the collateral
29 for value.

30 **6A-9-317. Interests that take priority over or take free of security interest or**
31 **agricultural lien. --** (a) Conflicting security interests and rights of lien creditors. - A security
32 interest or agricultural lien is subordinate to the rights of:

33 (1) A person entitled to priority under section 6A-9-322; and

34 (2) Except as otherwise provided in subsection (e), a person that becomes a lien creditor

1 before the earlier of the time: (i) the security interest or agricultural lien is perfected; or (ii) one of
2 the conditions specified in section 6A-9-203(b)(3) is met and a financing statement covering the
3 collateral is filed.

4 (b) Buyers that receive delivery. - Except as otherwise provided in subsection (e), a
5 buyer, other than a secured party, of tangible chattel paper, tangible documents, goods,
6 instruments, or a ~~security certificate~~ certificated security takes free of a security interest or
7 agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge
8 of the security interest or agricultural lien and before it is perfected.

9 (c) Lessees that receive delivery. - Except as otherwise provided in subsection (e), a
10 lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and
11 receives delivery of the collateral without knowledge of the security interest or agricultural lien
12 and before it is perfected.

13 (d) Licensees and buyers of certain collateral. - A licensee of a general intangible or a
14 buyer, other than a secured party, of ~~accounts, electronic chattel paper, electronic documents,~~
15 ~~general intangibles, or investment property collateral~~ other than tangible chattel paper, tangible
16 documents, goods, instruments, or a certificated security takes free of a security interest if the
17 licensee or buyer gives value without knowledge of the security interest and before it is perfected.

18 (e) Purchase-money security interest. - Except as otherwise provided in sections 6A-9-
19 320 and 6A-9-321, if a person files a financing statement with respect to a purchase-money
20 security interest before or within 20 days after the debtor receives delivery of the collateral, the
21 security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise
22 between the time the security interest attaches and the time of filing.

23 **6A-9-326. Priority of security interests created by new debtor. --** (a) Subordination of
24 security interest created by new debtor. - Subject to subsection (b), a security interest that is
25 created by a new debtor ~~which is~~ in collateral in which the new debtor has or acquires rights and
26 is perfected solely by a filed financing statement that ~~is effective solely under section 6A-9-508 in~~
27 ~~collateral in which a new debtor has or acquires rights~~ would be ineffective to perfect the security
28 interest but for the application of subdivision 6A-9-316(i)(1) or section 6A-9-508 is subordinate
29 to a security interest in the same collateral which is perfected other than by such a filed financing
30 statement ~~that is effective solely under section 6A-9-508.~~

31 (b) Priority under other provisions; multiple original debtors. - The other provisions of
32 this part determine the priority among conflicting security interests in the same collateral
33 perfected by filed financing statements that are effective solely under section 6A-9-508.
34 However, if the security agreements to which a new debtor became bound as debtor were not

1 entered into by the same original debtor, the conflicting security interests rank according to
2 priority in time of the new debtor's having become bound.

3 **6A-9-406. Discharge of account debtor; notification of assignment; identification**
4 **and proof of assignment; restrictions on assignment of accounts, chattel paper, payment**

5 **intangibles, and promissory notes ineffective.** -- (a) Discharge of account debtor; effect of
6 notification. - Subject to subsections (b) through (i), an account debtor on an account, chattel
7 paper, or a payment intangible may discharge its obligation by paying the assignor until, but not
8 after, the account debtor receives a notification, authenticated by the assignor or the assignee, that
9 the amount due or to become due has been assigned and that payment is to be made to the
10 assignee. After receipt of the notification, the account debtor may discharge its obligation by
11 paying the assignee and may not discharge the obligation by paying the assignor.

12 (b) When notification ineffective. - Subject to subsection (h), notification is ineffective
13 under subsection (a):

14 (1) If it does not reasonably identify the rights assigned;

15 (2) To the extent that an agreement between an account debtor and a seller of a payment
16 intangible limits the account debtor's duty to pay a person other than the seller and the limitation
17 is effective under law other than this chapter; or

18 (3) At the option of an account debtor, if the notification notifies the account debtor to
19 make less than the full amount of any installment or other periodic payment to the assignee, even
20 if:

21 (i) Only a portion of the account, chattel paper, or payment intangible has been assigned
22 to that assignee;

23 (ii) A portion has been assigned to another assignee; or

24 (iii) The account debtor knows that the assignment to that assignee is limited.

25 (c) Proof of assignment. - Subject to subsection (h), if requested by the account debtor,
26 an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless
27 the assignee complies, the account debtor may discharge its obligation by paying the assignor,
28 even if the account debtor has received a notification under subsection (a).

29 (d) Term restricting assignment generally ineffective. - Except as otherwise provided in
30 subsection (e) and section 6A-2.1-303 and section 6A-9-407, and subject to subsection (h), a term
31 in an agreement between an account debtor and an assignor or in a promissory note is ineffective
32 to the extent that it:

33 (1) Prohibits, restricts, or requires the consent of the account debtor or person obligated
34 on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or

1 enforcement of a security interest in, the account, chattel paper, payment intangible, or
2 promissory note; or

3 (2) Provides that the assignment or transfer or the creation, attachment, perfection, or
4 enforcement of the security interest may give rise to a default, breach, right of recoupment, claim,
5 defense, termination, right of termination, or remedy under the account, chattel paper, payment
6 intangible, or promissory note.

7 (e) Inapplicability of subsection (d) to certain sales. - Subsection (d) does not apply to
8 the sale of a payment intangible or promissory note, other than a sale pursuant to a disposition
9 under section 6A-9-610 or an acceptance of collateral under section 6A-9-620.

10 (f) Legal restrictions on assignment generally ineffective. - Except as otherwise provided
11 in sections 6A-2.1-303 and 6A-9-407 and subject to subsections (h) and (i), a rule of law, statute,
12 or regulation that prohibits, restricts, or requires the consent of a government, governmental body
13 or official, or account debtor to the assignment or transfer of, or creation of a security interest in,
14 an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

15 (1) Prohibits, restricts, or requires the consent of the government, governmental body or
16 official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection,
17 or enforcement of a security interest in the account or chattel paper; or

18 (2) Provides that the assignment or transfer or the creation, attachment, perfection, or
19 enforcement of the security interest may give rise to a default, breach, right of recoupment, claim,
20 defense, termination, right of termination, or remedy under the account or chattel paper.

21 (g) Subsection (b)(3) not waivable. - Subject to subsection (h), an account debtor may
22 not waive or vary its option under subsection (b)(3).

23 (h) Rule for individual under other law. - This section is subject to law other than this
24 chapter which establishes a different rule for an account debtor who is an individual and who
25 incurred the obligation primarily for personal, family, or household purposes.

26 (i) Inapplicability to health-care-insurance receivable. - This section does not apply to an
27 assignment of a health-care-insurance receivable.

28 (j) Section prevails over inconsistent law. - This section prevails over any statutes, rules,
29 and regulations inconsistent with this section.

30 **6A-9-408. Restrictions on assignment of promissory notes, health-care insurance**
31 **receivables, and certain general intangibles ineffective.** -- (a) Term restricting assignment
32 generally ineffective. - Except as otherwise provided in subsection (b), a term in a promissory
33 note or in an agreement between an account debtor and a debtor which relates to a health-care-
34 insurance receivable or a general intangible, including a contract, permit, license, or franchise,

1 and which term prohibits, restricts, or requires the consent of the person obligated on the
2 promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or
3 perfection of a security interest in, the promissory note, health-care-insurance receivable, or
4 general intangible, is ineffective to the extent that the term:

5 (1) Would impair the creation, attachment, or perfection of a security interest; or

6 (2) Provides that the assignment or transfer or the creation, attachment, or perfection of
7 the security interest may give rise to a default, breach, right of recoupment, claim, defense,
8 termination, right of termination, or remedy under the promissory note, health-care-insurance
9 receivable, or general intangible.

10 (b) Applicability of subsection (a) to sales of certain rights to payment. - Subsection (a)
11 applies to a security interest in a payment intangible or promissory note only if the security
12 interest arises out of a sale of the payment intangible or promissory note, other than a sale
13 pursuant to a disposition under section 6A-9-610 or an acceptance of collateral under section 6A-
14 9-620.

15 (c) Legal restrictions on assignment generally ineffective. - A rule of law, statute, or
16 regulation that prohibits, restricts, or requires the consent of a government, governmental body or
17 official, person obligated on a promissory note, or account debtor to the assignment or transfer of,
18 or creation of a security interest in, a promissory note, health-care-insurance receivable, or
19 general intangible, including a contract, permit, license, or franchise between an account debtor
20 and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

21 (1) Would impair the creation, attachment, or perfection of a security interest; or

22 (2) Provides that the assignment or transfer or the creation, attachment, or perfection of
23 the security interest may give rise to a default, breach, right of recoupment, claim, defense,
24 termination, right of termination, or remedy under the promissory note, health-care-insurance
25 receivable, or general intangible.

26 (d) Limitation on ineffectiveness under subsections (a) and (c). - To the extent that a
27 term in a promissory note or in an agreement between an account debtor and a debtor which
28 relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or
29 regulation described in subsection (c) would be effective under law other than this chapter but is
30 ineffective under subsection (a) or (c), the creation, attachment, or perfection of a security interest
31 in the promissory note, health-care-insurance receivable, or general intangible:

32 (1) Is not enforceable against the person obligated on the promissory note or the account
33 debtor;

34 (2) Does not impose a duty or obligation on the person obligated on the promissory note

1 or the account debtor;

2 (3) Does not require the person obligated on the promissory note or the account debtor to
3 recognize the security interest, pay or render performance to the secured party, or accept payment
4 or performance from the secured party;

5 (4) Does not entitle the secured party to use or assign the debtor's rights under the
6 promissory note, health-care-insurance receivable, or general intangible, including any related
7 information or materials furnished to the debtor in the transaction giving rise to the promissory
8 note, health-care-insurance receivable, or general intangible;

9 (5) Does not entitle the secured party to use, assign, possess, or have access to any trade
10 secrets or confidential information of the person obligated on the promissory note or the account
11 debtor; and

12 (6) Does not entitle the secured party to enforce the security interest in the promissory
13 note, health-care-insurance receivable, or general intangible.

14 (e) Section prevails over inconsistent law. - This section prevails over any statutes, rules,
15 and regulations inconsistent with this section.

16 **6A-9-502. Contents of financing statement; record of mortgage as financing**
17 **statement; time of filing financing statement.** -- (a) Sufficiency of financing statement. -
18 Subject to subsection (b), a financing statement is sufficient only if it:

19 (1) Provides the name of the debtor;

20 (2) Provides the name of the secured party or a representative of the secured party; and

21 (3) Indicates the collateral covered by the financing statement.

22 (b) Real-property-related financing statements. - Except as otherwise provided in section
23 6A-9-501(b), to be sufficient, a financing statement that covers as-extracted collateral or timber to
24 be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures,
25 must satisfy subsection (a) and also:

26 (1) Indicate that it covers this type of collateral;

27 (2) Indicate that it is to be filed in the real property records;

28 (3) Provide a description of the real property to which the collateral is related; and

29 (4) If the debtor does not have an interest of record in the real property, provide the name
30 of a record owner.

31 (c) Record of mortgage as financing statement. - A record of a mortgage is effective,
32 from the date of recording, as a financing statement filed as a fixture filing or as a financing
33 statement covering as-extracted collateral or timber to be cut only if:

34 (1) The record indicates the goods or accounts that it covers;

1 (2) The goods are or are to become fixtures related to the real property described in the
2 record or the collateral is related to the real property described in the record and is as-extracted
3 collateral or timber to be cut;

4 (3) The record satisfies the requirements for a financing statement in this section, but:
5 (A) the record need not indicate ~~other than an indication~~ that it is to be filed in the real property
6 records; and

7 (B) The record sufficiently provides the name of a debtor who is an individual if it
8 provides the individual name of the debtor or the surname and the first personal name of the
9 debtor, even if the debtor is an individual to who subdivision 6A-9-503(a)(4) applies; and

10 (4) The record is duly recorded.

11 (d) Filing before security agreement or attachment. - A financing statement may be filed
12 before a security agreement is made or a security interest otherwise attaches.

13 **6A-9-503. Name of debtor and secured party.** -- (a) Sufficiency of debtor's name. - A
14 financing statement sufficiently provides the name of the debtor:

15 (1) ~~If~~ Except as otherwise provided in subdivision (3), the debtor is a registered
16 organization or the collateral is held in a trust that is a registered organization, only if the
17 financing statement provides the name ~~of the debtor indicated~~ that is stated to be the registered
18 organization's name on the public organic record ~~of~~ most recently filed with or issued or enacted
19 by the ~~debtor's registered organization's~~ jurisdiction of organization which ~~shows the debtor to~~
20 ~~have been organized~~ purports to state, amend, or restate the registered organization's name;

21 (2) ~~If~~ Subject to subsection (f) if, the ~~debtor is a decedent's estate~~ collateral is being
22 administered by the personal representative of a decedent, only if the financing statement
23 provides, as the name of the debtor, the name of the decedent and, in a separate part of the
24 financing statement, indicates that the ~~debtor is an estate~~ collateral is being administered by a
25 personal representative;

26 (3) If the ~~debtor is a trust or a trustee acting with respect to property held in trust, only if~~
27 ~~the financing statement:~~ collateral is held in a trust that is not a registered organization, only if the
28 financing statement:

29 (i) Provides, as the name of the debtor:

30 (A) If the organic record of the trust specifies a name for the trust, the name specified; or

31 (B) If the organic record of the trust does not specify a name for the trust, the name of the
32 settler or testator; and

33 (ii) In a separate part of the financing statement:

34 (A) If the name is provided in accordance with subparagraph (i)(A), indicates that the

1 collateral is held in a trust; or

2 (B) if the name is provided in accordance with subparagraph (ii)(A), provides additional
3 information sufficient to distinguish the trust from other trusts having one or more the same
4 settlers or the same testator and indicates that the collateral is held in a trust, unless the additional
5 information so indicates;

6 (4) Subject to subsection (g), if the debtor is an individual to whom this state has issued a
7 driver's license that has not expired, only if the financing statement provides the name of the
8 individual which is indicated on the driver's license.

9 (5) If the debtor is an individual to whom subdivision (4) does not apply, only if the
10 financing statement provides the individual name of the debtor or the surname and first personal
11 name of the debtor; and

12 ~~(i) Provides the name specified for the trust in its organic documents or, if no name is~~
13 ~~specified, provides the name of the settlor and additional information sufficient to distinguish the~~
14 ~~debtor from other trusts having one or more of the same settlers; and~~

15 ~~(ii) Indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee~~
16 ~~acting with respect to property held in trust; and~~

17 ~~(4)~~(6) In other cases:

18 (i) If the debtor has a name, only if ~~it~~ the financing statement provides the ~~individual or~~
19 organizational name of the debtor; and

20 (ii) If the debtor does not have a name, only if it provides the names of the partners,
21 members, associates, or other persons comprising the debtor, in a manner that each name
22 provided would be sufficient if the person named were the debtor.

23 (b) Additional debtor-related information. - A financing statement that provides the
24 name of the debtor in accordance with subsection (a) is not rendered ineffective by the absence
25 of:

26 (1) A trade name or other name of the debtor; or

27 (2) Unless required under subsection ~~(a)(4)(B)~~ (a)(6)(ii), names of partners, members,
28 associates, or other persons comprising the debtor.

29 (c) Debtor's trade name insufficient. - A financing statement that provides only the
30 debtor's trade name does not sufficiently provide the name of the debtor.

31 (d) Representative capacity. - Failure to indicate the representative capacity of a secured
32 party or representative of a secured party does not affect the sufficiency of a financing statement.

33 (e) Multiple debtors and secured parties. - A financing statement may provide the name
34 of more than one debtor and the name of more than one secured party.

1 (f) Name of decedent. The name of the decedent indicated on the order appointing the
2 personal representative of the decedent issued by the court having jurisdiction over the collateral
3 is sufficient as the “name of the decedent” under subdivision (a)(2).

4 (g) Multiple drivers' licenses. If this state has issued to an individual more than one
5 driver's license of a kind described in subdivision (a)(4), the one that was issued most recently is
6 the one to which subdivision (a)(4) refers.

7 (h) Definition. In this section, the “name of the settlor or testator” means:

8 (1) If the settlor is a registered organization, the name that is stated to be the settlor’s
9 name on the public organic record most recently filed with or issued or enacted by the settlor’s
10 jurisdiction of organization which purports to state, amend, or restate the settlor’s name; or

11 (2) In other cases, the name of the settlor or testator indicated in the trust’s organic
12 record.

13 **6A-9-507. Effect of certain events on effectiveness of financing statement. --** (a)

14 Disposition. - A filed financing statement remains effective with respect to collateral that is sold,
15 exchanged, leased, licensed, or otherwise disposed of and in which a security interest or
16 agricultural lien continues, even if the secured party knows of or consents to the disposition.

17 (b) Information becoming seriously misleading. - Except as otherwise provided in
18 subsection (c) and section 6A-9-508, a financing statement is not rendered ineffective if, after the
19 financing statement is filed, the information provided in the financing statement becomes
20 seriously misleading under section 6A-9-506.

21 (c) Change in debtor's name. - If ~~a debtor so changes it's~~ the name that a filed financing
22 statement provides for a debtor becomes insufficient as the name of the debtor under subsection
23 6-A-9-503(a) so that the financing statement becomes seriously misleading under section 6A-9-
24 506:

25 (1) The financing statement is effective to perfect a security interest in collateral
26 acquired by the debtor before, or within four months after, the ~~change~~ filed financing statement
27 becomes seriously misleading; and

28 (2) The financing statement is not effective to perfect a security interest in collateral
29 acquired by the debtor more than four months after the ~~change~~ filed financing statement becomes
30 seriously misleading, unless an amendment to the financing statement which renders the
31 financing statement not seriously misleading is filed within four months after the ~~change~~ filed
32 financing statement becomes seriously misleading.

33 **6A-9-515. Duration and effectiveness of financing statement; effect of lapsed**

34 **financing statement. --** (a) Five-year effectiveness. - Except as otherwise provided in subsections

1 (b), (e), (f), and (g), a filed financing statement is effective for a period of five years after the date
2 of filing.

3 (b) Public-finance or manufactured-home transaction. - Except as otherwise provided in
4 subsections (e), (f), and (g), an initial financing statement filed in connection with a public-
5 finance transaction or manufactured-home transaction is effective for a period of 30 years after
6 the date of filing if it indicates that it is filed in connection with a public-finance transaction or
7 manufactured-home transaction.

8 (c) Lapse and continuation of financing statement. - The effectiveness of a filed
9 financing statement lapses on the expiration of the period of its effectiveness unless before the
10 lapse a continuation statement is filed pursuant to subsection (d). Upon lapse, a financing
11 statement ceases to be effective and any security interest or agricultural lien that was perfected by
12 the financing statement becomes unperfected, unless the security interest is perfected otherwise.
13 If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to
14 have been perfected as against a purchaser of the collateral for value.

15 (d) When continuation statement may be filed. - A continuation statement may be filed
16 only within six months before the expiration of the five-year period specified in subsection (a) or
17 the 30-year period specified in subsection (b), whichever is applicable.

18 (e) Effect of filing continuation statement. - Except as otherwise provided in section 6A-
19 9-510, upon timely filing of a continuation statement, the effectiveness of the initial financing
20 statement continues for a period of five years commencing on the day on which the financing
21 statement would have become ineffective in the absence of the filing. Upon the expiration of the
22 five-year period, the financing statement lapses in the same manner as provided in subsection (c),
23 unless, before the lapse, another continuation statement is filed pursuant to subsection (d).
24 Succeeding continuation statements may be filed in the same manner to continue the
25 effectiveness of the initial financing statement.

26 (f) Transmitting utility financing statement. - If a debtor is a transmitting utility and a
27 filed [initial](#) financing statement so indicates, the financing statement is effective until a
28 termination statement is filed.

29 (g) Record of mortgage as financing statement. - A record of a mortgage that is effective
30 as a financing statement filed as a fixture filing under section 6A-9-502(c) remains effective as a
31 financing statement filed as a fixture filing until the mortgage is released or satisfied of record or
32 its effectiveness otherwise terminates as to the real property.

33 **6A-9-516. What constitutes filing; effectiveness of filing.** -- (a) What constitutes filing.
34 - Except as otherwise provided in subsection (b), communication of a record to a filing office and

1 tender of the filing fee or acceptance of the record by the filing office constitutes filing.

2 (b) Refusal to accept record; filing does not occur. - Filing does not occur with respect to
3 a record that a filing office refuses to accept because:

4 (1) The record is not communicated by a method or medium of communication
5 authorized by the filing office;

6 (2) An amount equal to or greater than the applicable filing fee is not tendered;

7 (3) The filing office is unable to index the record because:

8 (i) In the case of an initial financing statement, the record does not provide a name for
9 the debtor;

10 (ii) In the case of an amendment or ~~correction~~ information statement, the record:

11 (A) Does not identify the initial financing statement as required by section 6A-9-512 or
12 section 6A-9-518, as applicable; or

13 (B) Identifies an initial financing statement whose effectiveness has lapsed under section
14 6A-9-515;

15 (iii) In the case of an initial financing statement that provides the name of a debtor
16 identified as an individual or an amendment that provides a name of a debtor identified as an
17 individual which was not previously provided in the financing statement to which the record
18 relates, the record does not identify the debtor's ~~last-name~~ surname; or

19 (iv) In the case of a record filed or recorded in the filing office described in section 6A-
20 9-501(a)(1), the record does not provide a sufficient description of the real property to which it
21 relates;

22 (4) In the case of an initial financing statement or an amendment that adds a secured
23 party of record, the record does not provide a name and mailing address for the secured party of
24 record;

25 (5) In the case of an initial financing statement or an amendment that provides a name of
26 a debtor which was not previously provided in the financing statement to which the amendment
27 relates, the record does not:

28 (i) Provide a mailing address for the debtor; or

29 (ii) Indicate whether the name provided as the name of the debtor is the name of an
30 individual or an organization; ~~or~~

31 ~~(iii) If the financing statement indicates that the debtor is an organization, provide:~~

32 ~~(A) A type of organization for the debtor;~~

33 ~~(B) A jurisdiction of organization for the debtor; or~~

34 ~~(C) An organizational identification number for the debtor or indicate that the debtor has~~

1 ~~none;~~

2 (6) In the case of an assignment reflected in an initial financing statement under section
3 6A-9-514(a) or an amendment filed under section 6A-9-514(b), the record does not provide a
4 name and mailing address for the assignee; or

5 (7) In the case of a continuation statement, the record is not filed within the six-month
6 period prescribed by section 6A-9-515(d).

7 (c) Rules applicable to subsection (b). - For purposes of subsection (b):

8 (1) A record does not provide information if the filing office is unable to read or
9 decipher the information; and

10 (2) A record that does not indicate that it is an amendment or identify an initial financing
11 statement to which it relates, as required by section 6A-9-512, 6A-9-514, or 6A-9-518, is an
12 initial financing statement.

13 (d) Refusal to accept record; record effective as filed record. - A record that is
14 communicated to the filing office with tender of the filing fee, but which the filing office refuses
15 to accept for a reason other than one set forth in subsection (b), is effective as a filed record
16 except as against a purchaser of the collateral which gives value in reasonable reliance upon the
17 absence of the record from the files.

18 **6A-9-518. Claim concerning inaccurate or wrongfully filed record.** -- (a) ~~Correction~~
19 ~~statement~~ Statement with respect to record indexed under person's name. - A person may file in
20 the filing office ~~a correction~~ an information statement with respect to a record indexed there
21 under the person's name if the person believes that the record is inaccurate or was wrongfully
22 filed.

23 (b) ~~Sufficiency~~ Contents of ~~correction~~ statement under subsection (a). - ~~A correction~~ An
24 information statement under subsection (a) must:

25 (1) Identify the record to which it relates by:

26 (i) The file number assigned to the initial financing statement to which the record relates;

27 ~~and~~

28 ~~(ii) If the correction statement relates to a record filed in a filing office described in~~
29 ~~section 6A-9-501(a)(1), the information specified in section 6A-9-502(b) and (A) the date and~~
30 ~~time that the initial financing statement was filed or (B) the book and page references of the~~
31 ~~filing;~~

32 (2) Indicate that it is ~~a correction~~ an information statement; and

33 (3) Provide the basis for the person's belief that the record is inaccurate and indicate the
34 manner in which the person believes the record should be amended to cure any inaccuracy or

1 provide the basis for the person's belief that the record was wrongfully filed.

2 (c) Statement by secured party of record. A person may file in the filing office an
3 information statement with respect to a record filed there if the person is a secured party of record
4 with respect to the financing statement to which the record relates and believed that the person
5 that filed the record was not entitled to do so under subsection 6A-9-509(d).

6 (d) Contents of statement under subsection (c). An information statement under
7 subsection (c) must:

8 (1) Identify the record to which it relates by the file number assigned to the initial
9 financing statement to which the record relates;

10 (2) Indicate that it is an information statement; and

11 (3) Provide the basis for the person's belief that the person that filed the record was not
12 entitled to do so under subsection 6A-9-509(d).

13 ~~(e)~~(e) Record not affected by ~~correction~~ information statement. - The filing of a
14 ~~correction~~ an information statement does not affect the effectiveness of an initial financing
15 statement or other filed record.

16 **6A-9-607. Collection and enforcement by secured party.** -- (a) Collection and
17 enforcement generally. - If so agreed, and in any event after default, a secured party:

18 (1) May notify an account debtor or other person obligated on collateral to make
19 payment or otherwise render performance to or for the benefit of the secured party;

20 (2) May take any proceeds to which the secured party is entitled under section 6A-9-315;

21 (3) May enforce the obligations of an account debtor or other person obligated on
22 collateral and exercise the rights of the debtor with respect to the obligation of the account debtor
23 or other person obligated on collateral to make payment or otherwise render performance to the
24 debtor, and with respect to any property that secures the obligations of the account debtor or other
25 person obligated on the collateral;

26 (4) If it holds a security interest in a deposit account perfected by control under section
27 6A-9-104(a)(1), may apply the balance of the deposit account to the obligation secured by the
28 deposit account; and

29 (5) If it holds a security interest in a deposit account perfected by control under section
30 6A-9-104(a)(2) or (3), may instruct the bank to pay the balance of the deposit account to or for
31 the benefit of the secured party.

32 (b) Nonjudicial enforcement of mortgage. - If necessary to enable a secured party to
33 exercise under subsection (a)(3) the right of a debtor to enforce a mortgage nonjudicially, the
34 secured party may record in the office in which a record of the mortgage is recorded:

1 (1) A copy of the security agreement that creates or provides for a security interest in the
2 obligation secured by the mortgage; and

3 (2) The secured party's sworn affidavit in recordable form stating that:

4 (i) A default has occurred [with respect to the obligation secured by the mortgage](#); and

5 (ii) The secured party is entitled to enforce the mortgage nonjudicially.

6 (c) Commercially reasonable collection and enforcement. - A secured party shall proceed
7 in a commercially reasonable manner if the secured party:

8 (1) Undertakes to collect from or enforce an obligation of an account debtor or other
9 person obligated on collateral; and

10 (2) Is entitled to charge back uncollected collateral or otherwise to full or limited
11 recourse against the debtor or a secondary obligor.

12 (d) Expenses of collection and enforcement. - A secured party may deduct from the
13 collections made pursuant to subsection (c) reasonable expenses of collection and enforcement,
14 including reasonable attorney's fees and legal expenses incurred by the secured party.

15 (e) Duties to secured party not affected. - This section does not determine whether an
16 account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

17 SECTION 2. Chapter 6A-9 of the General Laws entitled "Secured Transactions" is
18 hereby amended by adding thereto the following sections:

19 **6A-9-801. Effective Date.** -- [This part shall take effect on July 1, 2013.](#)

20 **6A-9-802. Savings Clause.** -- [\(a\) Pre-effective-date transactions or liens. Except as
21 otherwise provided in this part, this part applies to a transaction or lien within its scope, even if
22 the transaction or lien was entered into or created before this part takes effect.](#)

23 [\(b\) Pre-effective-date proceedings. This part does not affect an action, case, or
24 proceeding commenced before this part takes effect.](#)

25 **6A-9-803. Security interest perfected before effective date.** -- [\(a\) Continuing
26 perfection: perfection requirements satisfied. A security interest that is a perfected security
27 interest immediately before this part takes effect is a perfected security interest under this chapter
28 as amended by this part if, when this part takes effect, the applicable requirements for attachment
29 and perfection under this chapter as amended by this part are satisfied without further action.](#)

30 [\(b\) Continuing perfection: perfection requirements not satisfied. Except as otherwise
31 provided in section 6A-9-805, if, immediately before this part takes effect, a security interest is a
32 perfected security interest, but the applicable requirements for perfection under this chapter as
33 amended by this part are not satisfied when this part takes effect, the security interest remains
34 perfected thereafter only if the applicable requirements for perfection under this chapter as](#)

1 amended by this part are satisfied within one year after this part takes effect.

2 **6A- 9-804. Security interest unperfected before effective date.** -- A security interest
3 that is an unperfected security interest immediately before this part takes effect becomes a
4 perfected security interest:

5 (1) Without further action, when this part takes effect if the applicable requirements for
6 perfection under this chapter as amended by this part are satisfied before or at that time; or

7 (2) When the applicable requirements for perfection are satisfied if the requirements are
8 satisfied after that time.

9 **6A-9-805. Effectiveness of action taken before effective date.** -- (a) Pre-effective-date
10 filing effective. The filing of a financing statement before this part takes effect is effective to
11 perfect a security interest to the extent the filing would satisfy the applicable requirements for
12 perfection under this chapter as amended by this part.

13 (b) When pre-effective-date filing becomes ineffective. This part does not render
14 ineffective an effective financing statement that, before this part takes effect, is filed and satisfies
15 the applicable requirements for perfection under the law of the jurisdiction governing perfection
16 as provided in this chapter as it existed before amendment. However, except as otherwise
17 provided in subsections (c) and (d) and section 6A-9-806, the financing statement ceases to be
18 effective:

19 (1) If the financing statement is filed in this state, at the time the financing statement
20 would have ceased to be effective had this part not taken effect; or

21 (2) If the financing statement is filed in another jurisdiction, at the earlier of:

22 (i) The time the financing statement would have ceased to be effective under the law of
23 that jurisdiction; or

24 (ii) June 30, 2018.

25 (c) Continuation statement. The filing of a continuation statement after this part takes
26 effect does not continue the effectiveness of a financing statement filed before this part takes
27 effect. However, upon the timely filing of a continuation statement after this part takes effect and
28 in accordance with the law of the jurisdiction governing perfection as provided in this chapter as
29 amended by this part, the effectiveness of a financing statement filed in the same office in that
30 jurisdiction before this part takes effect continues for the period provided by the law of that
31 jurisdiction.

32 (d) Application of section 6A-9-804 (b)(2)(B) to transmitting utility financing statement.
33 section 6A-9-804 (b)(2)(B) applies to a financing statement that, before this part takes effect, is
34 filed against a transmitting utility and satisfies the applicable requirements for perfection under

1 the law of the jurisdiction governing perfection as provided in this chapter as it existed before
2 amendment, only to the extent that this chapter as amended by this part provides that the law of a
3 jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection
4 of a security interest in collateral covered by the financing statement.

5 (e) Application of Part 5. A financing statement that includes a financing statement filed
6 before this part takes effect and a continuation statement filed after this part takes effect is
7 effective only to the extent that it satisfies the requirements of Part 5 as amended by this part for
8 an initial financing statement. A financing statement that indicates that the debtor is a decedent's
9 estate indicates that the collateral is being administered by a personal representative within the
10 meaning of subdivision 6A-9-503(a)(2) as amended by this part. A financing statement that
11 indicates that the debtor is a trust or is a trustee acting with respect to property held in trust
12 indicates that the collateral is held in a trust within the meaning of subsection 6A-9-503(a)(3) as
13 amended by this part.

14 **6A-9-806. When initial financing statement suffices to continue effectiveness of**
15 **financing statement.**

16 (a) Initial financing statement in lieu of continuation statement. The filing of an initial
17 financing statement in the office specified in section 6A-9-501 continues the effectiveness of a
18 financing statement filed before this part takes effect if:

19 (1) The filing of an initial financing statement in that office would be effective to perfect
20 a security interest under this chapter as amended by this part;

21 (2) The pre-effective-date financing statement was filed in an office in another state; and

22 (3) The initial financing statement satisfies subsection (c).

23 (b) Period of continued effectiveness. The filing of an initial financing statement under
24 subsection (a) continues the effectiveness of the pre-effective-date financing statement:

25 (1) If the initial financing statement is filed before this part takes effect, for the period
26 provided in section 6A-9-515 with respect to an initial financing statement; and

27 (2) If the initial financing statement is filed after this part takes effect, for the period
28 provided in section 6A-9-515 as amended by this part with respect to an initial financing
29 statement.

30 (c) Requirements for initial financing statement under subsection (a). To be effective for
31 purposes of subsection (a), an initial financing statement must:

32 (1) Satisfy the requirements of Part 5 as amended by this part for an initial financing
33 statement;

34 (2) Identify the pre-effective-date financing statement by indicating the office in which

1 the financing statement was filed and providing the dates of filing and file numbers, if any, of the
2 financing statement and of the most recent continuation statement filed with respect to the
3 financing statement; and

4 (3) Indicate that the pre-effective-date financing statement remains effective.

5 **6A-9-807. Amendment of pre-effective-date financing statement.** -- (a) Pre-effective-
6 date financing statement. In this section, “pre-effective-date financing statement” means a
7 financing statement filed before this part takes effect.

8 (b) Applicable law. After this part takes effect, a person may add or delete collateral
9 covered by, continue or terminate the effectiveness of, or otherwise amend the information
10 provided in, a pre-effective-date financing statement only in accordance with the law of the
11 jurisdiction governing perfection as provided in this chapter as amended by this part. However,
12 the effectiveness of a pre-effective-date financing statement also may be terminated in accordance
13 with the law of the jurisdiction in which the financing statement is filed.

14 (c) Method of amending: general rule. Except as otherwise provided in subsection (d), if
15 the law of this state governs perfection of a security interest, the information in a pre-effective-
16 date financing statement may be amended after this part takes effect only if:

17 (1) The pre-effective-date financing statement and an amendment are filed in the office
18 specified in section 6A-9-501;

19 (2) An amendment is filed in the office specified in section 6A-9-501 concurrently with,
20 or after the filing in that office of, an initial financing statement that satisfies subsection 6A-9-
21 806(c); or

22 (3) An initial financing statement that provides the information as amended and satisfies
23 subsection 6A-9-806(c) is filed in the office specified in section 6A-9-501.

24 (d) Method of amending: continuation. If the law of this state governs perfection of a
25 security interest, the effectiveness of a pre-effective-date financing statement may be continued
26 only under subsections 6A-9-805(c) and (e) or section 6A-9-806.

27 (e) Method of amending: additional termination rule. Whether or not the law of this state
28 governs perfection of a security interest, the effectiveness of a pre-effective-date financing
29 statement filed in this state may be terminated after this part takes effect by filing a termination
30 statement in the office in which the pre-effective-date financing statement is filed, unless an
31 initial financing statement that satisfies subsection 6A-9-806(c) has been filed in the office
32 specified by the law of the jurisdiction governing perfection as provided in this chapter as
33 amended by this part as the office in which to file a financing statement.

34 **6A-9-808. Person entitled to file initial financing statement or continuation**

1 **statement.** A person may file an initial financing statement or a continuation statement under this
2 part if:

3 (1) The secured party of record authorizes the filing; and

4 (2) The filing is necessary under this part:

5 (i) To continue the effectiveness of a financing statement filed before this part takes
6 effect; or

7 (ii) To perfect or continue the perfection of a security interest.

8 **6A-9-809. Priority. --** This part determines the priority of conflicting claims to collateral.
9 However, if the relative priorities of the claims were established before this part takes effect, this
10 chapter as it existed before amendment determines priority.

11 SECTION 3. Section 1 of this act shall take effect upon passage and section 2 of this act
12 shall take effect on July 1, 2013.

=====
LC01546
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

1 This act would update Article 9 (Secured Transactions) of the Rhode Island Uniform
2 Commercial Code in accordance with suggestions of the National Conference of Commissioners
3 on Uniform State Laws.

4 Section 1 of this act would take effect upon passage and Section 2 of this act would take
5 effect on July 1, 2013.

=====
LC01546

=====