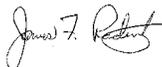


**For:** State and County Offices

**Additional Guidance on Uniform Commercial Code (UCC) Revisions**

**Approved by:** Acting Deputy Administrator, Farm Loan Programs



**1 Overview**

**A**

**Background**

Revisions to Article 9 of UCC concerning secured transactions became effective in many States on July 1, 2001.

Notice FLP-209 provides:

- information regarding the key changes made by the revised Article 9
- guidance regarding actions necessary to implement the revisions.

**B**

**Purpose**

This notice:

- supplements Notice FLP-209
- provides additional information regarding implementation of the revisions.

**C**

**Contact**

Direct questions about this notice to Bill Cobb at 202-720-1059, or Pat Spalding at 202-690-0595.

<b>Disposal Date</b>	<b>Distribution</b>
July 1, 2002	State Offices; State Offices relay to County Offices

## Notice FLP-215

### 2 Information

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#### A

#### Payment of Cost for Electronic Filing of UCC Forms

The revised Article 9 provides for electronic filing of financing statements. Some Secretary of State's offices have established payment methods which are not authorized under current FSA regulations and directives. The National Office is currently reviewing possible options to enable use of electronic filing where available.

Until an alternate payment method is established, County Offices shall continue to pay the cost of UCC filings in the usual manner.

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#### B

#### UCC Forms

As provided in Notice FLP-209, new UCC forms have been made available on the FFAS Employee Forms Online Website for States that have adopted the revised Article 9. In addition, transition UCC forms have been made available for States where the revised Article 9 has been enacted but has not yet become effective.

**Notes:** Connecticut has delayed the effective date of the revised Article 9 until October 1, 2001.

Alabama, Florida, and Mississippi have delayed the effective date of the revised Article 9 until January 1, 2002.

Contact your Regional OGC Attorney for the use of transition UCC forms.

Both the new and transition UCC forms are in a fillable format. The electronic file contains all required copies of the form. The user will only enter data on the first copy and subsequent copies are system generated. All copies printed are identical except for the footer which identifies who should receive the copy.

**Example:** The file for UCC-3 contains 4 copies. The footer on each of the copies is as follows:

- Filing Office Copy
- Acknowledgment Copy
- Debtor Copy
- Secured Party Copy.

**Note:** The link to the FFAS Employee Forms Online Website can be accessed from <http://intranet.fsa.usda.gov/>.

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Continued on the next page

## Notice FLP-215

### 2 Information (Continued)

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#### C

##### New Forms Under Development

Three new forms are currently being developed for use in States that have adopted the revised Article 9. The new forms will be used to:

- obtain the information needed and authorization to file a financing statement and related documents

**Note:** The form will be executed by parties that have not executed the new version of FSA 410-1, such as an individual who will pledge security on behalf of another party.

- notify an existing holder of a livestock security interest of record of FSA's intention to take a purchase-money interest in livestock
- obtain a subordination from an existing holder of a livestock security interest instead of FSA providing advance notification of its intention to take a purchase-money interest in livestock.

These forms will be made available on the FFAS Employee Forms Online Website after final approval is obtained.

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#### D

##### Disclaiming Warranties

If FSA provides a bill of sale or other similar document evidencing the sale of chattels, the following must appear on the document:

**There are no warranties, express or implied, relating to title, possession, quiet enjoyment or the like in this sale. The foregoing collateral is sold "AS IS". There are no warranties of any kind, express or implied, including no warranty of merchantability or of fitness for a particular purpose.**

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#### E

##### Farm and Home Plan Software

The Farm and Home Plan software is being modified to add FSA 440-4A. The revised software should be released within the next 30 calendar days. During the interim period:

- enter "see attached list" on FSA 440-4A
  - attach a copy of the chattel list printed from the Farm and Home Plan.
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