

For: State and County Offices

2010 Amendments to UCC Article 9 (2010 Amendments)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

UCC Article 9:

- governs the process to secure transactions involving personal property
- was substantially revised in 1998 and these revisions were eventually adopted by all States.

The 2010 Amendments:

- modify the existing statute to respond to filing issues and address other matters that have arisen in practices following a decade of experience with the 1998 version of UCC Article 9
- **amend the requirements for sufficiency of the name of an individual debtor to be used on UCC-1.**

The revised Article 9 has been enacted in many States, and legislative proposals to adopt the 2010 Amendments have been initiated in other States.

Notes: The effective date of the new law is July 1, 2013. In States that have not yet adopted the 2010 Amendments, the effective date will be the date specified by State statute in its adoption of the 2010 Amendments.

FLP will issue a separate notice to provide guidance on FLP actions.

Disposal Date	Distribution
December 1, 2013	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides:

- information about key changes made by the revised Article 9
- guidance for actions necessary to implement the 2010 Amendments for Farm Programs.

C Contact

If there are any questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact either of the following:
 - Toni Williams at either of the following:
 - e-mail at toni.williams@wdc.usda.gov
 - telephone at 202-720-2270
 - Richard Flournoy at either of the following:
 - e-mail at richard.flournoy@wdc.usda.gov
 - telephone at 202-690-3802.

2 2010 Amendments

A Key Changes

The revised Article 9 will impact the manner in which a creditor perfects a security interest in chattels. At issue is the debtor's name on UCC-1. Before the 2010 Amendments, there was some confusion as to the correct formulation of the debtor's name required on UCC-1. Without much guidance, Article 9 only required that UCC-1 sufficiently provide the name of the debtor. Often, a person's legal name may differ from that listed on various forms of identification or the name that this person commonly uses. UCC-1 that fails to properly identify the debtor will **not** perfect a security interest. The 2010 Amendments:

- attempt to clarify the name of the debtor that is required on UCC-1

Note: See UCC §9-503(a).

- provide 2 alternatives, "A" and "B", that a State can choose to adopt for the proper naming of an individual debtor, which can include using the debtor's valid driver's license or State-issued ID card for documentation.

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2 2010 Amendments (Continued)

A Key Changes (Continued)

New forms (UCC-1, UCC-1 Addendum, UCC-3, and UCC-3 Addendum) have been drafted to implement the 2010 Amendments. Contact the Secretary of State or Regional OGC to determine which forms should be used under State law.

Some other key changes include the following:

- lien perfection concerns arising on after-acquired property when a debtor moves to a new jurisdiction as provided in UCC §9-316(h)
- changes to the existing law authorizing the debtor to file a correction statement as provided in UCC §9-518
- additional technical amendments.

Example: Extraneous information currently provided on UCC-1's will no longer be required.

B Additional Information

Information about the 2010 Amendments, including the transition process, is available from the Uniform Law Commission at [http://uniformlaws.org/Act.aspx?title=UCC%20Article%209%20Amendments%20\(2010\)](http://uniformlaws.org/Act.aspx?title=UCC%20Article%209%20Amendments%20(2010)).

Note: This web site contains general UCC information that may or may not be applicable in all States. Consult the Regional Attorney before relying upon information from these web sites. Additional information may also be obtained at the local Secretary of State's web site.

3 Action

A State Office Action

State Offices shall:

- contact their Regional Attorney to:
 - determine whether the 2010 Amendments have been adopted in their State
 - obtain guidance on filing new forms with their filing offices
 - obtain guidance on the required documents needed to verify changes for business entities and other registered organizations
- modify or issue State supplements to handbooks as necessary, according to 1-AS.

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3 Action (Continued)

B County Office Action

County Offices in States that have adopted the 2010 Amendments shall:

- ensure that liens are filed according to any revised State supplements beginning July 1, 2013, unless otherwise guided
- **not** use any new forms until the 2010 Amendments take effect in their filing jurisdiction
- continue or amend currently filed UCC documents and CCC-10 according to the Regional Attorney's instructions
- continue to follow 1-FSFL, paragraph 56 for obtaining and filing UCC-1's
- ensure that the producer provides a valid State-issued driver's license or State-issued ID card at the time of FSFL request.

Notes: All fees associated with continuing or amending the UCC documents will be paid by CCC.

CCC-10 also must identify the debtor's exact full name, and if the debtor is an entity, the type and location of the entity as provided in 1-FSFL, paragraph 58.

Guidance for MAL's will be incorporated in a forthcoming 8-LP amendment.