



NAVIGATING UCC FILING

The Essential Guide



START

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INTRO

An essential element of conducting commercial transactions, mergers and acquisitions, and originating business loans is filing Uniform Commercial Code (UCC) financing statements. But subtle errors in the filing process can spell disaster for even seasoned filers and result in unperfected security interests.

Although Article 9 was intended to make this process uniform, the filing requirements can vary in each state. Failure to fully understand each state's nuances can jeopardize the perfection of your security interest.

To help, we've compiled an essential guide to navigating UCC filing. Read on for tips about what filers should keep in mind when dealing with UCC records, and how to maintain perfection and priority of your client's security interests.

1899 WAY

MARVEL ST.

TIP 1

Pay attention to detail in debtor name requirements

When filing a financing statement, the most important information on the record is the debtor's name. If the name is not correct or includes even a minor deviation, it could be seriously misleading.



If the debtor is a registered organization, for example, the financing statement is sufficient only if it provides the name stated to be **the name of the entity on the public organic record most recently filed with or issued by a state or the United States, as further described in UCC § 9-503(a)(1).**

Be sure to carefully check your punctuation and spelling. Even minor deviations from the above statutory rule can make the financing statement seriously misleading.

WARD PLAZA

TIP 2

Decide filing location by location of the debtor

 Debtor type	 Where to file
Registered organizations	File at central filing office of state where entity was formed or organized
Organizations with one place of business	State of place of business
Organizations with multiple places of business	State of chief executive office
Organizations registered under federal law	State designated by federal law, or if permitted by statute, the state designated by organization, otherwise in Washington, D.C.
Estate	State of probate, and in state of executor's place of business or residence
Trust	State of place of business and organization of trustees, and in state where established; if trustee is also a registered organization, file where organized
Non-U.S. entity organized in foreign jurisdiction without a notice system	In Washington, D.C. and other applicable jurisdictions
Foreign bank branch	In state where branch is licensed
Foreign air carrier	In state where agent for service of process is located
Individuals	State of principal residence

TIP 3

Avoid confusion with “only-if” and “safe harbor” alternatives to individual debtor name

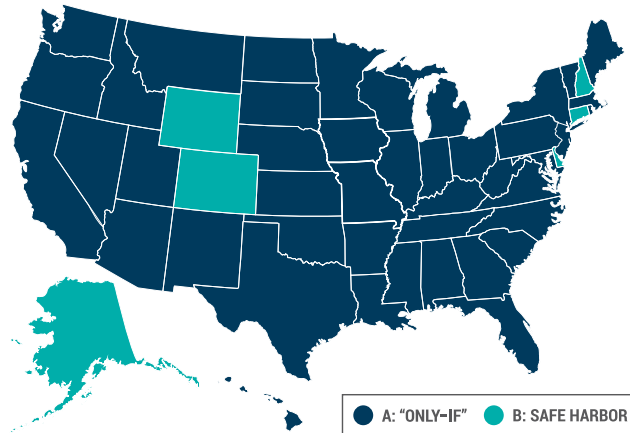
For individual debtors, there are two main legislative alternatives: the **Alternative A “only-if”** rule and the **Alternative B “safe harbor”** rule. It is important to understand the distinction and which legislative alternative applies in your unique case.

Legislative Alternative A “only-if” rule:

- » The financing statement is sufficient only if it provides the individual name of the debtor indicated on the person’s unexpired driver’s license or, if state law allows, the state-issued ID card.
- » If the debtor lacks a document that meets those requirements, the financing statement is sufficient if it provides the individual name of the debtor or the surname and first personal name.
- » This is the version enacted by the vast majority of states.

Legislative Alternative B “safe harbor” rule:

- » The financing statement is sufficient only if it provides the individual name of the debtor, the surname and first personal name of the debtor, or the name indicated on the debtor’s unexpired driver’s license or alternative ID card issued by the state where the record is to be filed.



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Allow ample filing time depending on jurisdiction

TIP 4

State filing turnaround times are important to keep in mind. Depending on the method of submission—electronic, U.S. mail, courier, or walk-in—the filing turnaround time can be instantaneous (often in the case of electronic filing) or can take up to 30 days (in the case of paper forms filed in Vermont). Additionally, as states work to overhaul their systems, they can modify their requirements or turnaround times.

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TIP 5

Ensure all relevant records are uncovered

The UCC search is an essential element of proper due diligence for business loans and other commercial transactions. There are a number of situations where a lien or security interest could be indexed under a variation of the debtor name, yet remain fully effective. Therefore, it is recommended to partner with a UCC search provider like CSC to conduct searches and uncover all relevant records.

Search should include:

- » Current debtor name(s)
- » Prior debtor names
- » Any merged or acquired businesses
- » Former jurisdictions if applicable

Don't forget to include copies, reconcile copies to the summary, review name variations, and look at terminated UCCs.

look

Debtor type



What to search

Registered organizations

Search by name on the organization's public organic record

Collateral administered by decedent's personal representative

Search on the individual name of the decedent

Collateral held in a trust that is not a registered organization

Search on the name put forth in the trust documents if they have a name specified in their organic record, otherwise search on the name of the settlor(s)

Individuals


The driver's license is the starting point for every UCC search conducted on an individual, but other name variations may also be sufficient and may need to be searched separately (see: Alternative A versus Alternative B states)



END

Partnering with a service provider like CSC for UCC filing can help you reduce errors while maintaining and protecting your clients' security interests. CSC handles every part of your UCC filing life cycle, including tracking jurisdictional requirements and expirations, calculating UCC filing fees, processing documents, writing checks, and submitting UCC filings—all within our comprehensive system.

CSC® is a dynamic, high-growth company headquartered in Wilmington, Delaware. We provide information and workflow solutions to the world's largest companies, law firms, and financial institutions. Founded more than a century ago, our company is dedicated to making your business easier, less risky, and more profitable, wherever it's done. CSC supports the work of professionals worldwide with representation, compliance, corporate transactions, entity management, matter management, and global subsidiary management solutions. CSC has been providing UCC services to the financial community since states began adopting the UCC, and provides UCC services to thousands of financial institutions.

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