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1 (c) Take into consideration the rules and practices of, and the technology used
2 by, filing offices in other jurisdictions that enact substantially this subchapter.

3 **409.527 Duty to report.** The department of financial institutions shall
4 include in its report under s. 15.04 (1) (d) a report on the operation of the filing office.
5 The report must contain a statement of the extent to which:

6 (1) HARMONIZATION OF RULES: FILING OFFICES IN OTHER JURISDICTIONS. The
7 filing-office rules are not in harmony with the rules of filing offices in other
8 jurisdictions that enact substantially this subchapter and the reasons for these
9 variations; and

10 (2) HARMONIZATION OF RULES: MODEL RULES. The filing-office rules are not in
11 harmony with the most recent version of the Model Rules promulgated by the
12 International Association of Corporate Administrators, or any successor
13 organization, and the reasons for these variations.

14 **409.528 Statewide lien system.** (1) ESTABLISHMENT AND MAINTENANCE. The
15 department shall establish and maintain and the office of each register of deeds in
16 this state shall establish services necessary to support a statewide lien system under
17 this subchapter.

18 (2) USE. Except as otherwise provided in this chapter, each filing officer shall
19 enter all information filed under this subchapter into the statewide lien system
20 under sub. (1).

21 SUBCHAPTER VI

22 DEFAULT

23 **409.601 Rights after default; judicial enforcement; consignor or buyer**
24 **of accounts, chattel paper, payment intangibles, or promissory notes.** (1)
25 RIGHTS OF SECURED PARTY AFTER DEFAULT. After default, a secured party has the rights

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1 provided in this subchapter and, except as otherwise provided in s. 409.602, those
2 provided by agreement of the parties. A secured party:

3 (a) May reduce a claim to judgment, foreclose, or otherwise enforce the claim,
4 security interest, or agricultural lien by any available judicial procedure; and

5 (b) If the collateral is documents, may proceed either as to the documents or as
6 to the goods they cover.

7 **(2) RIGHTS AND DUTIES OF SECURED PARTY IN POSSESSION OR CONTROL.** A secured
8 party in possession of collateral or control of collateral under s. 409.104, 409.105,
9 409.106, or 409.107 has the rights and duties provided in s. 409.207.

10 **(3) RIGHTS CUMULATIVE; SIMULTANEOUS EXERCISE.** The rights under subs. (1) and
11 (2) are cumulative and may be exercised simultaneously.

12 **(4) RIGHTS OF DEBTOR AND OBLIGOR.** Except as otherwise provided in sub. (7) and
13 s. 409.605, after default, a debtor and an obligor have the rights provided in this
14 subchapter and by agreement of the parties.

15 **(5) LIEN OF LEVY AFTER JUDGMENT.** If a secured party has reduced its claim to
16 judgment, the lien of any levy that may be made upon the collateral by virtue of an
17 execution based upon the judgment relates back to the earliest of:

18 (a) The date of perfection of the security interest or agricultural lien in the
19 collateral;

20 (b) The date of filing a financing statement covering the collateral; or

21 (c) Any date specified in a statute under which the agricultural lien was
22 created.

23 **(6) EXECUTION SALE.** A sale pursuant to an execution is a foreclosure of the
24 security interest or agricultural lien by judicial procedure within the meaning of this

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1 section. A secured party may purchase at the sale and thereafter hold the collateral
2 free of any other requirements of this chapter.

3 (7) CONSIGNOR OR BUYER OF CERTAIN RIGHTS TO PAYMENT. Except as otherwise
4 provided in s. 409.607 (3), this subchapter imposes no duties upon a secured party
5 that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or
6 promissory notes.

7 **409.602 Waiver and variance of rights and duties.** Except as otherwise
8 provided in s. 409.624, to the extent that they give rights to a debtor or obligor and
9 impose duties on a secured party, the debtor or obligor may not waive or vary the
10 rules stated in the following listed sections:

11 (1) Section 409.207 (2) (d) 3., which deals with use and operation of the
12 collateral by the secured party;

13 (2) Section 409.210, which deals with requests for an accounting and requests
14 concerning a list of collateral and statement of account;

15 (3) Section 409.607 (3), which deals with collection and enforcement of
16 collateral;

17 (4) Sections 409.608 (1) and 409.615 (3) to the extent that they deal with
18 application or payment of noncash proceeds of collection, enforcement, or
19 disposition;

20 (5) Sections 409.608 (1) and 409.615 (4) to the extent that they require
21 accounting for or payment of surplus proceeds of collateral;

22 (6) Section 409.609 to the extent that it imposes upon a secured party that
23 takes possession of collateral without judicial process the duty to do so without
24 breach of the peace;

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1 (7) Sections 409.610 (2), 409.611, 409.613, and 409.614, which deal with
2 disposition of collateral;

3 (8) Section 409.615 (6), which deals with calculation of a deficiency or surplus
4 when a disposition is made to the secured party, a person related to the secured party,
5 or a secondary obligor;

6 (9) Section 409.616, which deals with explanation of the calculation of a
7 surplus or deficiency;

8 (10) Sections 409.620, 409.621, and 409.622, which deal with acceptance of
9 collateral in satisfaction of obligation;

10 (11) Section 409.623, which deals with redemption of collateral;

11 (12) Section 409.624, which deals with permissible waivers; and

12 (13) Sections 409.625 and 409.626, which deal with the secured party's liability
13 for failure to comply with this chapter.

14 **409.603 Agreement on standards concerning rights and duties. (1)**
15 **AGREED STANDARDS.** The parties may determine by agreement the standards
16 measuring the fulfillment of the rights of a debtor or obligor and the duties of a
17 secured party under a rule stated in s. 409.602 if the standards are not manifestly
18 unreasonable.

19 **(2) AGREED STANDARDS INAPPLICABLE TO BREACH OF PEACE.** Subsection (1) does not
20 apply to the duty under s. 409.609 to refrain from breaching the peace.

21 **409.604 Procedure if security agreement covers real property or**
22 **fixtures. (1) ENFORCEMENT: PERSONAL AND REAL PROPERTY.** If a security agreement
23 covers both personal and real property, a secured party may proceed:

24 (a) Under this subchapter as to the personal property without prejudicing any
25 rights with respect to the real property; or

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1 (b) As to both the personal property and the real property in accordance with
2 the rights with respect to the real property, in which case the other provisions of this
3 subchapter do not apply.

4 (2) ENFORCEMENT: FIXTURES. Subject to sub. (3), if a security agreement covers
5 goods that are or become fixtures, a secured party may proceed:

6 (a) Under this subchapter; or

7 (b) In accordance with the rights with respect to real property, in which case
8 the other provisions of this subchapter do not apply.

9 (3) REMOVAL OF FIXTURES. Subject to the other provisions of this subchapter, if
10 a secured party holding a security interest in fixtures has priority over all owners and
11 encumbrancers of the real property, the secured party, after default, may remove the
12 collateral from the real property.

13 (4) INJURY CAUSED BY REMOVAL. A secured party that removes collateral shall
14 promptly reimburse any encumbrancer or owner of the real property, other than the
15 debtor, for the cost of repair of any physical injury caused by the removal. The
16 secured party need not reimburse the encumbrancer or owner for any diminution in
17 value of the real property caused by the absence of the goods removed or by any
18 necessity of replacing them. A person entitled to reimbursement may refuse
19 permission to remove until the secured party gives adequate assurance for the
20 performance of the obligation to reimburse.

21 **409.605 Unknown debtor or secondary obligor.** A secured party does not
22 owe a duty based on its status as secured party:

23 (1) To a person that is a debtor or obligor, unless the secured party knows:

24 (a) That the person is a debtor or obligor;

25 (b) The identity of the person; and

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1 (c) How to communicate with the person; or

2 (2) To a secured party or lienholder that has filed a financing statement against
3 a person, unless the secured party knows:

4 (a) That the person is a debtor; and

5 (b) The identity of the person.

6 **409.606 Time of default for agricultural lien.** For purposes of this
7 subchapter, a default occurs in connection with an agricultural lien at the time the
8 secured party becomes entitled to enforce the lien in accordance with the statute
9 under which it was created.

10 **409.607 Collection and enforcement by secured party.** (1) COLLECTION
11 AND ENFORCEMENT GENERALLY. If so agreed, and in any event after default, a secured
12 party:

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

15 (b) May take any proceeds to which the secured party is entitled under s.
16 409.315;

17 (c) May enforce the obligations of an account debtor or other person obligated
18 on collateral and exercise the rights of the debtor with respect to the obligation of the
19 account debtor or other person obligated on collateral to make payment or otherwise
20 render performance to the debtor, and with respect to any property that secures the
21 obligations of the account debtor or other person obligated on the collateral;

22 (d) If it holds a security interest in a deposit account perfected by control under
23 s. 409.104 (1) (a), may apply the balance of the deposit account to the obligation
24 secured by the deposit account; and

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1 (e) If it holds a security interest in a deposit account perfected by control under
2 s. 409.104 (1) (b) or (c), may instruct the bank to pay the balance of the deposit
3 account to or for the benefit of the secured party.

4 **(2) NONJUDICIAL ENFORCEMENT OF MORTGAGE.** If necessary to enable a secured
5 party to exercise under sub. (1) (c) the right of a debtor to enforce a mortgage
6 nonjudicially, the secured party may record in the office in which a record of the
7 mortgage is recorded:

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

10 (b) The secured party's sworn affidavit in recordable form stating that:

11 1. A default has occurred; and

12 2. The secured party is entitled to enforce the mortgage nonjudicially.

13 **(3) COMMERCIALLY REASONABLE COLLECTION AND ENFORCEMENT.** A secured party
14 shall proceed in a commercially reasonable manner if the secured party:

15 (a) Undertakes to collect from or enforce an obligation of an account debtor or
16 other person obligated on collateral; and

17 (b) Is entitled to charge back uncollected collateral or otherwise to full or
18 limited recourse against the debtor or a secondary obligor.

19 **(4) EXPENSES OF COLLECTION AND ENFORCEMENT.** A secured party may deduct
20 from the collections made pursuant to sub. (3) reasonable expenses of collection and
21 enforcement, including reasonable attorney fees and legal expenses incurred by the
22 secured party.

23 **(5) DUTIES TO SECURED PARTY NOT AFFECTED.** This section does not determine
24 whether an account debtor, bank, or other person obligated on collateral owes a duty
25 to a secured party.

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1 **409.608 Application of proceeds of collection or enforcement; liability**
2 **for deficiency and right to surplus. (1) APPLICATION OF PROCEEDS, SURPLUS, AND**
3 **DEFICIENCY IF OBLIGATION SECURED.** If a security interest or agricultural lien secures
4 payment or performance of an obligation, the following rules apply:

5 (a) A secured party shall apply or pay over for application the cash proceeds of
6 collection or enforcement under s. 409.607 in the following order to:

7 1. The reasonable expenses of collection and enforcement and, to the extent
8 provided for by agreement and not prohibited by law, reasonable attorney fees and
9 legal expenses incurred by the secured party;

10 2. The satisfaction of obligations secured by the security interest or
11 agricultural lien under which the collection or enforcement is made; and

12 3. The satisfaction of obligations secured by any subordinate security interest
13 in or other lien on the collateral subject to the security interest or agricultural lien
14 under which the collection or enforcement is made if the secured party receives an
15 authenticated demand for proceeds before distribution of the proceeds is completed.

16 (b) If requested by a secured party, a holder of a subordinate security interest
17 or other lien shall furnish reasonable proof of the interest or lien within a reasonable
18 time. Unless the holder complies, the secured party need not comply with the
19 holder's demand under par. (a) 3.

20 (c) A secured party need not apply or pay over for application noncash proceeds
21 of collection and enforcement under s. 409.607 unless the failure to do so would be
22 commercially unreasonable. A secured party that applies or pays over for application
23 noncash proceeds shall do so in a commercially reasonable manner.

24 (d) A secured party shall account to and pay a debtor for any surplus, and the
25 obligor is liable for any deficiency.

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1 **(2) NO SURPLUS OR DEFICIENCY IN SALES OF CERTAIN RIGHTS TO PAYMENT.** If the
2 underlying transaction is a sale of accounts, chattel paper, payment intangibles, or
3 promissory notes, the debtor is not entitled to any surplus, and the obligor is not
4 liable for any deficiency.

5 **409.609 Secured party's right to take possession after default. (1)**
6 **POSSESSION; RENDERING EQUIPMENT UNUSABLE; DISPOSITION ON DEBTOR'S PREMISES.** After
7 default, a secured party:

8 (a) May take possession of the collateral; and

9 (b) Without removal, may render equipment unusable and dispose of collateral
10 on a debtor's premises under s. 409.610.

11 **(2) JUDICIAL AND NONJUDICIAL PROCESS.** A secured party may proceed under sub.
12 (1):

13 (a) Pursuant to judicial process; or

14 (b) Without judicial process, if it proceeds without breach of the peace.

15 **(3) ASSEMBLY OF COLLATERAL.** If so agreed, and in any event after default, a
16 secured party may require the debtor to assemble the collateral and make it
17 available to the secured party at a place to be designated by the secured party which
18 is reasonably convenient to both parties.

19 **409.610 Disposition of collateral after default. (1) DISPOSITION AFTER**
20 **DEFAULT.** After default, a secured party may sell, lease, license, or otherwise dispose
21 of any or all of the collateral in its present condition or following any commercially
22 reasonable preparation or processing.

23 **(2) COMMERCIALY REASONABLE DISPOSITION.** Every aspect of a disposition of
24 collateral, including the method, manner, time, place, and other terms, must be
25 commercially reasonable. If commercially reasonable, a secured party may dispose

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1 of collateral by public or private proceedings, by one or more contracts, as a unit or
2 in parcels, and at any time and place and on any terms.

3 (3) PURCHASE BY SECURED PARTY. A secured party may purchase collateral:

4 (a) At a public disposition; or

5 (b) At a private disposition only if the collateral is of a kind that is customarily
6 sold on a recognized market or the subject of widely distributed standard price
7 quotations.

8 (4) WARRANTIES ON DISPOSITION. A contract for sale, lease, license, or other
9 disposition includes the warranties relating to title, possession, quiet enjoyment,
10 and the like which by operation of law accompany a voluntary disposition of property
11 of the kind subject to the contract.

12 (5) DISCLAIMER OF WARRANTIES. A secured party may disclaim or modify
13 warranties under sub. (4):

14 (a) In a manner that would be effective to disclaim or modify the warranties in
15 a voluntary disposition of property of the kind subject to the contract of disposition;
16 or

17 (b) By communicating to the purchaser a record evidencing the contract for
18 disposition and including an express disclaimer or modification of the warranties.

19 (6) RECORD SUFFICIENT TO DISCLAIM WARRANTIES. A record is sufficient to disclaim
20 warranties under sub. (5) if it indicates “There is no warranty relating to title,
21 possession, quiet enjoyment, or the like in this disposition” or uses words of similar
22 import.

23 **409.611 Notification before disposition of collateral.** (1) NOTIFICATION
24 DATE. In this section, “notification date” means the earlier of the date on which:

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1 (a) A secured party sends to the debtor and any secondary obligor an
2 authenticated notification of disposition; or

3 (b) The debtor and any secondary obligor waive the right to notification.

4 (2) NOTIFICATION OF DISPOSITION REQUIRED. Except as otherwise provided in sub.
5 (4), a secured party that disposes of collateral under s. 409.610 shall send to the
6 persons specified in sub. (3) a reasonable, authenticated notification of disposition.

7 (3) PERSONS TO BE NOTIFIED. To comply with sub. (2), the secured party shall
8 send an authenticated notification of disposition to:

9 (a) The debtor;

10 (b) Any secondary obligor; and

11 (c) If the collateral is other than consumer goods:

12 1. Any other person from which the secured party has received, before the
13 notification date, an authenticated notification of a claim of an interest in the
14 collateral;

15 2. Any other secured party or lienholder that, 10 days before the notification
16 date, held a security interest in or other lien on the collateral perfected by the filing
17 of a financing statement that:

18 a. Identified the collateral;

19 b. Was indexed under the debtor's name as of that date; and

20 c. Was filed in the office in which to file a financing statement against the debtor
21 covering the collateral as of that date; and

22 3. Any other secured party that, 10 days before the notification date, held a
23 security interest in the collateral perfected by compliance with a statute, regulation,
24 or treaty described in s. 409.311 (1).

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1 (4) SUBSECTION (2) INAPPLICABLE: PERISHABLE COLLATERAL; RECOGNIZED MARKET.

2 Subsection (2) does not apply if the collateral is perishable or threatens to decline
3 speedily in value or is of a type customarily sold on a recognized market.

4 (5) COMPLIANCE WITH SUB. (3) (C) 2. A secured party complies with the
5 requirement for notification prescribed by sub. (3) (c) 2. if:

6 (a) Not later than 20 days or earlier than 30 days before the notification date,
7 the secured party requests, in a commercially reasonable manner, information
8 concerning financing statements indexed under the debtor's name in the office
9 indicated in sub. (3) (c) 2.; and

10 (b) Before the notification date, the secured party:

11 1. Did not receive a response to the request for information; or

12 2. Received a response to the request for information and sent an authenticated
13 notification of disposition to each secured party or other lienholder named in that
14 response whose financing statement covered the collateral.

15 **409.612 Timeliness of notification before disposition of collateral. (1)**

16 REASONABLE TIME IS QUESTION OF FACT. Except as otherwise provided in sub. (2),
17 whether a notification is sent within a reasonable time is a question of fact.

18 (2) TEN-DAY PERIOD SUFFICIENT IN NONCONSUMER TRANSACTION. In a transaction
19 other than a consumer transaction, a notification of disposition sent after default and
20 10 days or more before the earliest time of disposition set forth in the notification is
21 sent within a reasonable time before the disposition.

22 **409.613 Contents and form of notification before disposition of**
23 **collateral: general.** Except in a consumer-goods transaction, the following rules
24 apply:

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1 (1) NOTIFICATION: WHEN SUFFICIENT. The contents of a notification of disposition
2 are sufficient if the notification:

3 (a) Describes the debtor and the secured party;

4 (b) Describes the collateral that is the subject of the intended disposition;

5 (c) States the method of intended disposition;

6 (d) States that the debtor is entitled to an accounting of the unpaid
7 indebtedness and states the charge, if any, for an accounting; and

8 (e) States the time and place of a public disposition or the time after which any
9 other disposition is to be made.

10 (2) NOTIFICATION: QUESTION OF FACT. Whether the contents of a notification that
11 lacks any of the information specified in sub. (1) are nevertheless sufficient is a
12 question of fact.

13 (3) NOTIFICATION: OTHER INFORMATION OR MINOR ERRORS. The contents of a
14 notification providing substantially the information specified in sub. (1) are
15 sufficient, even if the notification includes:

16 (a) Information not specified by sub. (1); or

17 (b) Minor errors that are not seriously misleading.

18 (4) SUBSTANTIAL COMPLIANCE. A particular phrasing of the notification is not
19 required.

20 (5) NOTIFICATION: FORM SUFFICIENT. The following form of notification and the
21 form appearing in s. 409.614 (3), when completed, each provide sufficient
22 information:

23 **NOTIFICATION OF DISPOSITION**
24 **OF COLLATERAL.**

25 To: ... [*Name of debtor, obligor, or other person to which the notification is sent*]

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1 From: [*Name, address, and telephone number of secured party*]

2 Name of Debtor(s): [*Include only if debtor(s) are not an addressee*]

3 [*For a public disposition*]:

4 We will sell [or lease or license, as *applicable*] the [*describe collateral*] [to the
5 highest qualified bidder] in public as follows:

6 Day and Date:

7 Time:

8 Place:

9 [*For a private disposition*]:

10 We will sell [or lease or license, as *applicable*] the [*describe collateral*]
11 privately sometime after [*day and date*].

12 You are entitled to an accounting of the unpaid indebtedness secured by the
13 property that we intend to sell [or lease or license, as *applicable*] [for a charge of \$
....]. You may request an accounting by calling us at [*telephone number*].

14 **409.614 Contents and form of notification before disposition of**
15 **collateral: consumer-goods transaction.** In a consumer-goods transaction, the
16 following rules apply:

17 (1) NOTIFICATION OF DISPOSITION. A notification of disposition must provide the
18 following information:

19 (a) The information specified in s. 409.613 (1);

20 (b) A description of any liability for a deficiency of the person to which the
21 notification is sent;

22 (c) A telephone number from which the amount that must be paid to the secured
23 party to redeem the collateral under s. 409.623 is available; and

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1 (d) A telephone number or mailing address from which additional information
2 concerning the disposition and the obligation secured is available.

3 (2) SUBSTANTIAL COMPLIANCE. A particular phrasing of the notification is not
4 required.

5 (3) NOTIFICATION: FORM SUFFICIENT. The following form of notification, when
6 completed, provides sufficient information:

7 [Name and address of secured party]

8 [Date]

9 **NOTICE OF OUR PLAN**

10 **TO SELL PROPERTY**

11 [*Name and address of any obligor who is also a debtor*]

12 Subject: [*Identification of transaction*]

13 We have your [*describe collateral*], because you broke promises in our
14 agreement.

15 [*For a public disposition*]:

16 We will sell [*describe collateral*] at public sale. A sale could include a lease
17 or license. The sale will be held as follows:

18 Date:

19 Time:

20 Place:

21 You may attend the sale and bring bidders if you want.

22 [*For a private disposition*]:

23 We will sell [*describe collateral*] at private sale sometime after [*date*]. A
24 sale could include a lease or license.

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1 The money that we get from the sale (after paying our costs) will reduce the
2 amount you owe. If we get less money than you owe, you [*will or will not, as*
3 *applicable*] still owe us the difference. If we get more money than you owe, you will
4 get the extra money, unless we must pay it to someone else.

5 You can get the property back at any time before we sell it by paying us the full
6 amount you owe (not just the past-due payments), including our expenses. To learn
7 the exact amount you must pay, call us at [*telephone number*].

8 If you want us to explain to you in writing how we have figured the amount that
9 you owe us, you may call us at [*telephone number*] [or write us at [*secured*
10 *party's address*]] and request a written explanation. [We will charge you \$.... for the
11 explanation if we sent you another written explanation of the amount you owe us
12 within the last 6 months.]

13 If you need more information about the sale, call us at [*telephone number*]]
14 [or write us at [*secured party's address*]].

15 We are sending this notice to the following other people who have an interest
16 in [*describe collateral*] or who owe money under your agreement:

17 [*Names of all other debtors and obligors, if any*]

[End of Form]

19 (4) NOTIFICATION: OTHER INFORMATION. A notification in the form of sub. (3) is
20 sufficient, even if additional information appears at the end of the form.

21 (5) NOTIFICATION: ERRORS. A notification in the form of sub. (3) is sufficient, even
22 if it includes errors in information not required by sub. (1), unless the error is
23 misleading with respect to rights arising under this chapter.

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1 (6) NOTIFICATION: NOT IN FORM. If a notification under this section is not in the
2 form of sub. (3), law other than this chapter determines the effect of including
3 information not required by sub. (1).

4 **409.615 Application of proceeds of disposition; liability for deficiency**
5 **and right to surplus.** (1) APPLICATION OF PROCEEDS. A secured party shall apply
6 or pay over for application the cash proceeds of disposition under s. 409.610 in the
7 following order to:

8 (a) The reasonable expenses of retaking, holding, preparing for disposition,
9 processing, and disposing of, and, to the extent provided for by agreement and not
10 prohibited by law, reasonable attorney fees and legal expenses incurred by the
11 secured party;

12 (b) The satisfaction of obligations secured by the security interest or
13 agricultural lien under which the disposition is made;

14 (c) The satisfaction of obligations secured by any subordinate security interest
15 in or other subordinate lien on the collateral if:

16 1. The secured party receives from the holder of the subordinate security
17 interest or other lien an authenticated demand for proceeds before distribution of the
18 proceeds is completed; and

19 2. In a case in which a consignor has an interest in the collateral, the
20 subordinate security interest or other lien is senior to the interest of the consignor;
21 and

22 (d) A secured party that is a consignor of the collateral if the secured party
23 receives from the consignor an authenticated demand for proceeds before
24 distribution of the proceeds is completed.

SENATE BILL 9**SECTION 78**

1 **(2) PROOF OF SUBORDINATE INTEREST.** If requested by a secured party, a holder
2 of a subordinate security interest or other lien shall furnish reasonable proof of the
3 interest or lien within a reasonable time. Unless the holder does so, the secured party
4 need not comply with the holder's demand under sub. (1) (c).

5 **(3) APPLICATION OF NONCASH PROCEEDS.** A secured party need not apply or pay
6 over for application noncash proceeds of disposition under s. 409.610 unless the
7 failure to do so would be commercially unreasonable. A secured party that applies
8 or pays over for application noncash proceeds shall do so in a commercially
9 reasonable manner.

10 **(4) SURPLUS OR DEFICIENCY IF OBLIGATION SECURED.** If the security interest under
11 which a disposition is made secures payment or performance of an obligation, after
12 making the payments and applications required by sub. (1) and permitted by sub. (3):

13 (a) Unless sub. (1) (d) requires the secured party to apply or pay over cash
14 proceeds to a consignor, the secured party shall account to and pay a debtor for any
15 surplus; and

16 (b) The obligor is liable for any deficiency.

17 **(5) NO SURPLUS OR DEFICIENCY IN SALES OF CERTAIN RIGHTS TO PAYMENT.** If the
18 underlying transaction is a sale of accounts, chattel paper, payment intangibles, or
19 promissory notes:

20 (a) The debtor is not entitled to any surplus; and

21 (b) The obligor is not liable for any deficiency.

22 **(6) CALCULATION OF SURPLUS OR DEFICIENCY IN DISPOSITION TO PERSON RELATED TO**
23 **SECURED PARTY.** The surplus or deficiency following a disposition is calculated based
24 on the amount of proceeds that would have been realized in a disposition complying

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1 with this subchapter to a transferee other than the secured party, a person related
2 to the secured party or a secondary obligor if:

3 (a) The transferee in the disposition is the secured party, a person related to
4 the secured party, or a secondary obligor; and

5 (b) The amount of proceeds of the disposition is significantly below the range
6 of proceeds that a complying disposition to a person other than the secured party, a
7 person related to the secured party, or a secondary obligor would have brought.

8 (7) CASH PROCEEDS RECEIVED BY JUNIOR SECURED PARTY. A secured party that
9 receives cash proceeds of a disposition in good faith and without knowledge that the
10 receipt violates the rights of the holder of a security interest or other lien that is not
11 subordinate to the security interest or agricultural lien under which the disposition
12 is made:

13 (a) Takes the cash proceeds free of the security interest or other lien;

14 (b) Is not obligated to apply the proceeds of the disposition to the satisfaction
15 of obligations secured by the security interest or other lien; and

16 (c) Is not obligated to account to or pay the holder of the security interest or
17 other lien for any surplus.

18 **409.616 Explanation of calculation of surplus or deficiency. (1)**

19 DEFINITIONS. In this section:

20 (a) "Explanation" means a writing that:

21 1. States the amount of the surplus or deficiency;

22 2. Provides an explanation in accordance with sub. (3) of how the secured party
23 calculated the surplus or deficiency;

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1 3. States, if applicable, that future debits, credits, charges, including additional
2 credit service charges or interest, rebates, and expenses may affect the amount of the
3 surplus or deficiency; and

4 4. Provides a telephone number or mailing address from which additional
5 information concerning the transaction is available.

6 (b) "Request" means a record:

7 1. Authenticated by a debtor or consumer obligor;

8 2. Requesting that the recipient provide an explanation; and

9 3. Sent after disposition of the collateral under s. 409.610.

10 (2) EXPLANATION OF CALCULATION. In a consumer-goods transaction in which
11 the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under
12 s. 409.615, the secured party shall:

13 (a) Send an explanation to the debtor or consumer obligor, as applicable, after
14 the disposition and:

15 1. Before or when the secured party accounts to the debtor and pays any surplus
16 or first makes written demand on the consumer obligor after the disposition for
17 payment of the deficiency; and

18 2. Within 14 days after receipt of a request; or

19 (b) In the case of a consumer obligor who is liable for a deficiency, within 14 days
20 after receipt of a request, send to the consumer obligor a record waiving the secured
21 party's right to a deficiency.

22 (3) REQUIRED INFORMATION. To comply with sub. (1) (a) 2., a writing must provide
23 the following information in the following order:

24 (a) The aggregate amount of obligations secured by the security interest under
25 which the disposition was made, and, if the amount reflects a rebate of unearned

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1 interest or credit service charge, an indication of that fact, calculated as of a specified
2 date:

3 1. If the secured party takes or receives possession of the collateral after
4 default, not more than 35 days before the secured party takes or receives possession;
5 or

6 2. If the secured party takes or receives possession of the collateral before
7 default or does not take possession of the collateral, not more than 35 days before the
8 disposition;

9 (b) The amount of proceeds of the disposition;

10 (c) The aggregate amount of the obligations after deducting the amount of
11 proceeds;

12 (d) The amount, in the aggregate or by type, and types of expenses, including
13 expenses of retaking, holding, preparing for disposition, processing, and disposing
14 of the collateral, and attorney fees secured by the collateral which are known to the
15 secured party and relate to the current disposition;

16 (e) The amount, in the aggregate or by type, and types of credits, including
17 rebates of interest or credit service charges, to which the obligor is known to be
18 entitled and which are not reflected in the amount in par. (a); and

19 (f) The amount of the surplus or deficiency.

20 (4) **SUBSTANTIAL COMPLIANCE.** A particular phrasing of the explanation is not
21 required. An explanation complying substantially with the requirements of sub. (1)
22 is sufficient, even if it includes minor errors that are not seriously misleading.

23 (5) **CHARGES FOR RESPONSES.** A debtor or consumer obligor is entitled without
24 charge to one response to a request under this section during any 6-month period in
25 which the secured party did not send to the debtor or consumer obligor an

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1 explanation pursuant to sub. (2) (a). The secured party may require payment of a
2 charge not exceeding \$25 for each additional response.

3 **409.617 Rights of transferee of collateral. (1) EFFECTS OF DISPOSITION.** A
4 secured party's disposition of collateral after default:

5 (a) Transfers to a transferee for value all of the debtor's rights in the collateral;

6 (b) Discharges the security interest under which the disposition is made; and

7 (c) Discharges any subordinate security interest or other subordinate lien other
8 than liens held by this state or a local governmental unit, as defined in s. 19.42 (7u).

9 (2) RIGHTS OF GOOD-FAITH TRANSFEREE. A transferee that acts in good faith takes
10 free of the rights and interests described in sub. (1), even if the secured party fails
11 to comply with this chapter or the requirements of any judicial proceeding.

12 (3) RIGHTS OF OTHER TRANSFEREE. If a transferee does not take free of the rights
13 and interests described in sub. (1), the transferee takes the collateral subject to:

14 (a) The debtor's rights in the collateral;

15 (b) The security interest or agricultural lien under which the disposition is
16 made; and

17 (c) Any other security interest or other lien.

18 **409.618 Rights and duties of certain secondary obligors. (1) RIGHTS AND**
19 **DUTIES OF SECONDARY OBLIGOR.** A secondary obligor acquires the rights and becomes
20 obligated to perform the duties of the secured party after the secondary obligor:

21 (a) Receives an assignment of a secured obligation from the secured party;

22 (b) Receives a transfer of collateral from the secured party and agrees to accept
23 the rights and assume the duties of the secured party; or

24 (c) Is subrogated to the rights of a secured party with respect to collateral.

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1 (2) EFFECT OF ASSIGNMENT, TRANSFER, OR SUBROGATION. An assignment, transfer,
2 or subrogation described in sub. (1):

3 (a) Is not a disposition of collateral under s. 409.610; and

4 (b) Relieves the secured party of further duties under this chapter.

5 **409.619 Transfer of record or legal title.** (1) TRANSFER STATEMENT. In this
6 section, “transfer statement” means a record authenticated by a secured party
7 stating:

8 (a) That the debtor has defaulted in connection with an obligation secured by
9 specified collateral;

10 (b) That the secured party has exercised its postdefault remedies with respect
11 to the collateral;

12 (c) That, by reason of the exercise, a transferee has acquired the rights of the
13 debtor in the collateral; and

14 (d) The name and mailing address of the secured party, debtor, and transferee.

15 (2) EFFECT OF TRANSFER STATEMENT. A transfer statement entitles the transferee
16 to the transfer of record of all rights of the debtor in the collateral specified in the
17 statement in any official filing, recording, registration, or certificate-of-title system
18 covering the collateral. If a transfer statement is presented with the applicable fee
19 and request form to the official or office responsible for maintaining the system, the
20 official or office shall:

21 (a) Accept the transfer statement;

22 (b) Promptly amend its records to reflect the transfer; and

23 (c) If applicable, issue a new appropriate certificate of title in the name of the
24 transferee.

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1 (3) TRANSFER NOT A DISPOSITION; NO RELIEF OF SECURED PARTY'S DUTIES. A transfer
2 of the record or legal title to collateral to a secured party under sub. (2) or otherwise
3 is not of itself a disposition of collateral under this chapter and does not of itself
4 relieve the secured party of its duties under this chapter.

5 **409.620 Acceptance of collateral in full or partial satisfaction of**
6 **obligation; compulsory disposition of collateral.** (1) CONDITIONS TO
7 ACCEPTANCE IN SATISFACTION. Except as otherwise provided in sub. (7), a secured party
8 may accept collateral in full or partial satisfaction of the obligation it secures only
9 if:

10 (a) The debtor consents to the acceptance under sub. (3);

11 (b) The secured party does not receive, within the time set forth in sub. (4), a
12 notification of objection to the proposal authenticated by:

13 1. A person to which the secured party was required to send a proposal under
14 s. 409.621; or

15 2. Any other person, other than the debtor, holding an interest in the collateral
16 subordinate to the security interest that is the subject of the proposal;

17 (c) If the collateral is consumer goods, the collateral is not in the possession of
18 the debtor when the debtor consents to the acceptance; and

19 (d) Subsection (5) does not require the secured party to dispose of the collateral
20 or the debtor waives the requirement pursuant to s. 409.624.

21 (2) PURPORTED ACCEPTANCE INEFFECTIVE. A purported or apparent acceptance
22 of collateral under this section is ineffective unless:

23 (a) The secured party consents to the acceptance in an authenticated record or
24 sends a proposal to the debtor; and

25 (b) The conditions of sub. (1) are met.

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1 (3) DEBTOR'S CONSENT. For purposes of this section:

2 (a) A debtor consents to an acceptance of collateral in partial satisfaction of the
3 obligation it secures only if the debtor agrees to the terms of the acceptance in a
4 record authenticated after default; and

5 (b) A debtor consents to an acceptance of collateral in full satisfaction of the
6 obligation it secures only if the debtor agrees to the terms of the acceptance in a
7 record authenticated after default or the secured party:

8 1. Sends to the debtor after default a proposal that is unconditional or subject
9 only to a condition that collateral not in the possession of the secured party be
10 preserved or maintained;

11 2. In the proposal, proposes to accept collateral in full satisfaction of the
12 obligation it secures; and

13 3. Does not receive a notification of objection authenticated by the debtor
14 within 20 days after the proposal is sent.

15 (4) EFFECTIVENESS OF NOTIFICATION. To be effective under sub. (1) (b), a
16 notification of objection must be received by the secured party:

17 (a) In the case of a person to which the proposal was sent pursuant to s. 409.621,
18 within 20 days after notification was sent to that person; and

19 (b) In other cases:

20 1. Within 20 days after the last notification was sent pursuant to s. 409.621;
21 or

22 2. If a notification was not sent, before the debtor consents to the acceptance
23 under sub. (3).

SENATE BILL 9**SECTION 78**

1 (5) **MANDATORY DISPOSITION OF CONSUMER GOODS.** A secured party that has taken
2 possession of collateral shall dispose of the collateral pursuant to s. 409.610 within
3 the time specified in sub. (6) if:

4 (a) Sixty percent of the cash price has been paid in the case of a
5 purchase–money security interest in consumer goods; or

6 (b) Sixty percent of the principal amount of the obligation secured has been paid
7 in the case of a nonpurchase–money security interest in consumer goods.

8 (6) **COMPLIANCE WITH MANDATORY DISPOSITION REQUIREMENT.** To comply with sub.
9 (5), the secured party shall dispose of the collateral:

10 (a) Within 90 days after taking possession; or

11 (b) Within any longer period to which the debtor and all secondary obligors
12 have agreed in an agreement to that effect entered into and authenticated after
13 default.

14 (7) **NO PARTIAL SATISFACTION IN CONSUMER TRANSACTION.** In a consumer
15 transaction, a secured party may not accept collateral in partial satisfaction of the
16 obligation it secures.

17 **409.621 Notification of proposal to accept collateral.** (1) **PERSONS TO**
18 **WHICH PROPOSAL TO BE SENT.** A secured party that desires to accept collateral in full
19 or partial satisfaction of the obligation it secures shall send its proposal to:

20 (a) Any person from which the secured party has received, before the debtor
21 consented to the acceptance, an authenticated notification of a claim of an interest
22 in the collateral;

23 (b) Any other secured party or lienholder that, 10 days before the debtor
24 consented to the acceptance, held a security interest in or other lien on the collateral
25 perfected by the filing of a financing statement that:

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- 1 1. Identified the collateral;
- 2 2. Was indexed under the debtor's name as of that date; and
- 3 3. Was filed in the office or offices in which to file a financing statement against
- 4 the debtor covering the collateral as of that date; and

5 (c) Any other secured party that, 10 days before the debtor consented to the
6 acceptance, held a security interest in the collateral perfected by compliance with a
7 statute, regulation, or treaty described in s. 409.311 (1).

8 **(2) PROPOSAL TO BE SENT TO SECONDARY OBLIGOR IN PARTIAL SATISFACTION.** A
9 secured party that desires to accept collateral in partial satisfaction of the obligation
10 it secures shall send its proposal to any secondary obligor in addition to the persons
11 described in sub. (1).

12 **409.622 Effect of acceptance of collateral. (1) EFFECT OF ACCEPTANCE.** A
13 secured party's acceptance of collateral in full or partial satisfaction of the obligation
14 it secures:

- 15 (a) Discharges the obligation to the extent consented to by the debtor;
- 16 (b) Transfers to the secured party all of a debtor's rights in the collateral;
- 17 (c) Discharges the security interest or agricultural lien that is the subject of the
18 debtor's consent and any subordinate security interest or other subordinate lien; and
- 19 (d) Terminates any other subordinate interest.

20 **(2) DISCHARGE OF SUBORDINATE INTEREST NOTWITHSTANDING NONCOMPLIANCE.** A
21 subordinate interest is discharged or terminated under sub. (1), even if the secured
22 party fails to comply with this chapter.

23 **409.623 Right to redeem collateral. (1) PERSONS THAT MAY REDEEM.** A
24 debtor, any secondary obligor, or any other secured party or lienholder may redeem
25 collateral.

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1 **(2) REQUIREMENTS FOR REDEMPTION.** To redeem collateral, a person shall tender:

2 (a) Fulfillment of all obligations secured by the collateral; and

3 (b) The reasonable expenses and attorney fees described in s. 409.615 (1) (a).

4 **(3) WHEN REDEMPTION MAY OCCUR.** A redemption may occur at any time before
5 a secured party:

6 (a) Has collected collateral under s. 409.607;

7 (b) Has disposed of collateral or entered into a contract for its disposition under
8 s. 409.610; or

9 (c) Has accepted collateral in full or partial satisfaction of the obligation it
10 secures under s. 409.622.

11 **409.624 Waiver.** **(1) WAIVER OF DISPOSITION NOTIFICATION.** A debtor or
12 secondary obligor may waive the right to notification of disposition of collateral
13 under s. 409.611 only by an agreement to that effect entered into and authenticated
14 after default.

15 **(2) WAIVER OF MANDATORY DISPOSITION.** A debtor may waive the right to require
16 disposition of collateral under s. 409.620 (5) only by an agreement to that effect
17 entered into and authenticated after default.

18 **(3) WAIVER OF REDEMPTION RIGHT.** Except in a consumer-goods transaction, a
19 debtor or secondary obligor may waive the right to redeem collateral under s. 409.623
20 only by an agreement to that effect entered into and authenticated after default.

21 **409.625 Remedies for secured party's failure to comply with chapter.**

22 **(1) JUDICIAL ORDERS CONCERNING NONCOMPLIANCE.** If it is established that a secured
23 party is not proceeding in accordance with this chapter, a court may order or restrain
24 collection, enforcement, or disposition of collateral on appropriate terms and
25 conditions.

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1 (2) DAMAGES FOR NONCOMPLIANCE. Subject to subs. (3), (4), and (6), a person is
2 liable for damages in the amount of any loss caused by a failure to comply with this
3 chapter. Loss caused by a failure to comply may include loss resulting from the
4 debtor's inability to obtain, or increased costs of, alternative financing.

5 (3) PERSONS ENTITLED TO RECOVER DAMAGES; STATUTORY DAMAGES IN
6 CONSUMER-GOODS TRANSACTION. Except as otherwise provided in s. 409.628:

7 (a) A person that, at the time of the failure, was a debtor, was an obligor, or held
8 a security interest in or other lien on the collateral may recover damages under sub.
9 (2) for its loss; and

10 (b) If the collateral is consumer goods, a person that was a debtor or a secondary
11 obligor at the time a secured party failed to comply with this subchapter may recover
12 for that failure in any event an amount not less than the credit service charge plus
13 10% of the principal amount of the obligation or the time-price differential plus 10%
14 of the cash price.

15 (4) RECOVERY WHEN DEFICIENCY ELIMINATED OR REDUCED. A debtor whose
16 deficiency is eliminated under s. 409.626 may recover damages for the loss of any
17 surplus. However, a debtor or secondary obligor whose deficiency is eliminated or
18 reduced under s. 409.626 may not otherwise recover under sub. (2) for noncompliance
19 with the provisions of this subchapter relating to collection, enforcement,
20 disposition, or acceptance.

21 (5) STATUTORY DAMAGES: NONCOMPLIANCE WITH SPECIFIED PROVISIONS. In addition
22 to any damages recoverable under sub. (2), the debtor, consumer obligor, or person
23 named as a debtor in a filed record, as applicable, may recover \$500 in each case from
24 a person that:

25 (a) Fails to comply with s. 409.208;

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1 (b) Fails to comply with s. 409.209;

2 (c) Files a record that the person is not entitled to file under s. 409.509 (1);

3 (d) Fails to cause the secured party of record to file or send a termination
4 statement as required by s. 409.513 (1) or (3);

5 (e) Fails to comply with s. 409.616 (2) (a) and whose failure is part of a pattern,
6 or consistent with a practice, of noncompliance; or

7 (f) Fails to comply with s. 409.616 (2) (b).

8 (6) STATUTORY DAMAGES: NONCOMPLIANCE WITH S. 409.210. A debtor or consumer
9 obligor may recover damages under sub. (2) and, in addition, \$500 in each case from
10 a person that, without reasonable cause, fails to comply with a request under s.
11 409.210. A recipient of a request under s. 409.210 which never claimed an interest
12 in the collateral or obligations that are the subject of a request under that section has
13 a reasonable excuse for failure to comply with the request within the meaning of this
14 subsection.

15 (7) LIMITATION OF SECURITY INTEREST: NONCOMPLIANCE WITH S. 409.210. If a secured
16 party fails to comply with a request regarding a list of collateral or a statement of
17 account under s. 409.210, the secured party may claim a security interest only as
18 shown in the list or statement included in the request as against a person that is
19 reasonably misled by the failure.

20 **409.626 Action in which deficiency or surplus is in issue. (1) APPLICABLE**
21 **RULES IF AMOUNT OF DEFICIENCY OR SURPLUS IN ISSUE.** In an action arising from a
22 transaction, other than a consumer transaction, in which the amount of a deficiency
23 or surplus is in issue, the following rules apply:

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1 (a) A secured party need not prove compliance with the provisions of this
2 subchapter relating to collection, enforcement, disposition, or acceptance unless the
3 debtor or a secondary obligor places the secured party's compliance in issue.

4 (b) If the secured party's compliance is placed in issue, the secured party has
5 the burden of establishing that the collection, enforcement, disposition, or
6 acceptance was conducted in accordance with this subchapter.

7 (c) Except as otherwise provided in s. 409.628, if a secured party fails to prove
8 that the collection, enforcement, disposition, or acceptance was conducted in
9 accordance with the provisions of this subchapter relating to collection, enforcement,
10 disposition, or acceptance, the liability of a debtor or a secondary obligor for a
11 deficiency is limited to an amount by which the sum of the secured obligation,
12 expenses, and attorney fees exceeds the greater of:

- 13 1. The proceeds of the collection, enforcement, disposition, or acceptance; or
- 14 2. The amount of proceeds that would have been realized had the noncomplying
15 secured party proceeded in accordance with the provisions of this subchapter
16 relating to collection, enforcement, disposition, or acceptance.

17 (d) For purposes of par. (c) 2., the amount of proceeds that would have been
18 realized is equal to the sum of the secured obligation, expenses, and attorney fees
19 unless the secured party proves that the amount is less than that sum.

20 (e) If a deficiency or surplus is calculated under s. 409.615 (6), the debtor or
21 obligor has the burden of establishing that the amount of proceeds of the disposition
22 is significantly below the range of prices that a complying disposition to a person
23 other than the secured party, a person related to the secured party, or a secondary
24 obligor would have brought.

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1 (2) NONCONSUMER TRANSACTIONS; NO INFERENCE. The limitation of the rules in
2 sub. (1) to transactions other than consumer transactions is intended to leave to the
3 court the determination of the proper rules in consumer transactions. The court may
4 not infer from that limitation the nature of the proper rule in consumer transactions
5 and may continue to apply established approaches.

6 **409.627 Determination of whether conduct was commercially**
7 **reasonable. (1) GREATER AMOUNT OBTAINABLE UNDER OTHER CIRCUMSTANCES; NO**
8 **PRECLUSION OF COMMERCIAL REASONABLENESS.** The fact that a greater amount could
9 have been obtained by a collection, enforcement, disposition, or acceptance at a
10 different time or in a different method from that selected by the secured party is not
11 of itself sufficient to preclude the secured party from establishing that the collection,
12 enforcement, disposition, or acceptance was made in a commercially reasonable
13 manner.

14 (2) DISPOSITIONS THAT ARE COMMERCIALY REASONABLE. A disposition of collateral
15 is made in a commercially reasonable manner if the disposition is made:

16 (a) In the usual manner on any recognized market;

17 (b) At the price current in any recognized market at the time of the disposition;

18 or

19 (c) Otherwise in conformity with reasonable commercial practices among
20 dealers in the type of property that was the subject of the disposition.

21 (3) APPROVAL BY COURT OR ON BEHALF OF CREDITORS. A collection, enforcement,
22 disposition, or acceptance is commercially reasonable if it has been approved:

23 (a) In a judicial proceeding;

24 (b) By a bona fide creditors' committee;

25 (c) By a representative of creditors; or

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1 (d) By an assignee for the benefit of creditors.

2 (4) APPROVAL UNDER SUB. (3) NOT NECESSARY; ABSENCE OF APPROVAL HAS NO EFFECT.

3 Approval under sub. (3) need not be obtained, and lack of approval does not mean
4 that the collection, enforcement, disposition, or acceptance is not commercially
5 reasonable.

6 **409.628 Nonliability and limitation on liability of secured party;**
7 **liability of secondary obligor. (1) LIMITATION OF LIABILITY OF SECURED PARTY FOR**
8 **NONCOMPLIANCE WITH CHAPTER.** Unless a secured party knows that a person is a debtor
9 or obligor, knows the identity of the person, and knows how to communicate with the
10 person:

11 (a) The secured party is not liable to the person, or to a secured party or
12 lienholder that has filed a financing statement against the person, for failure to
13 comply with this chapter; and

14 (b) The secured party's failure to comply with this chapter does not affect the
15 liability of the person for a deficiency.

16 (2) LIMITATION OF LIABILITY BASED ON STATUS AS SECURED PARTY. A secured party
17 is not liable because of its status as secured party:

18 (a) To a person that is a debtor or obligor, unless the secured party knows:

- 19 1. That the person is a debtor or obligor;
20 2. The identity of the person; and
21 3. How to communicate with the person; or

22 (b) To a secured party or lienholder that has filed a financing statement against
23 a person, unless the secured party knows:

- 24 1. That the person is a debtor; and
25 2. The identity of the person.

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1 (3) LIMITATION OF LIABILITY IF REASONABLE BELIEF THAT TRANSACTION NOT A
2 CONSUMER-GOODS TRANSACTION OR CONSUMER TRANSACTION. A secured party is not
3 liable to any person, and a person's liability for a deficiency is not affected, because
4 of any act or omission arising out of the secured party's reasonable belief that a
5 transaction is not a consumer-goods transaction or a consumer transaction or that
6 goods are not consumer goods, if the secured party's belief is based on its reasonable
7 reliance on:

8 (a) A debtor's representation concerning the purpose for which collateral was
9 to be used, acquired, or held; or

10 (b) An obligor's representation concerning the purpose for which a secured
11 obligation was incurred.

12 (4) LIMITATION OF LIABILITY FOR STATUTORY DAMAGES. A secured party is not liable
13 to any person under s. 409.625 (3) (b) for its failure to comply with s. 409.616.

14 (5) LIMITATION OF MULTIPLE LIABILITY FOR STATUTORY DAMAGES. A secured party
15 is not liable under s. 409.625 (3) (b) more than once with respect to any one secured
16 obligation.

SUBCHAPTER VII**TRANSITION**

17
18
19 **409.702 Savings clause. (1) PREEFFECTIVE-DATE TRANSACTIONS OR LIENS.**
20 Except as otherwise provided in this subchapter, 1999 Wisconsin Act ... (this act)
21 applies to a transaction or lien within its scope, even if the transaction or lien was
22 entered into or created before the effective date of this subsection ... [revisor inserts
23 date].

24 (2) CONTINUING VALIDITY. Except as otherwise provided in sub. (3) and ss.
25 409.703 to 409.709: