

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

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;

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

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

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

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) COMMERCIALY 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.

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.

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

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:

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).

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:



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 \$  
14 .... ]. You may request an accounting by calling us at .... [*telephone number*].

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

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

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

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

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

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.



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.

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

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;

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

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

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.

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.

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.

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).

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:

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.

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.

1           **(2) DAMAGES FOR NONCOMPLIANCE.** Subject to subs. (3) and (4), a person is liable  
2 for damages in the amount of any loss caused by a failure to comply with this chapter.  
3 Loss caused by a failure to comply may include loss resulting from the debtor's  
4 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           **(7) LIMITATION OF SECURITY INTEREST: NONCOMPLIANCE WITH S. 409.210.** If a secured  
22 party fails to comply with a request regarding a list of collateral or a statement of  
23 account under s. 409.210, the secured party may claim a security interest only as  
24 shown in the list or statement included in the request as against a person that is  
25 reasonably misled by the failure.

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

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

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

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

17           1. The proceeds of the collection, enforcement, disposition, or acceptance; or  
18           2. The amount of proceeds that would have been realized had the noncomplying  
19          secured party proceeded in accordance with the provisions of this subchapter  
20          relating to collection, enforcement, disposition, or acceptance.

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

24          (e) If a deficiency or surplus is calculated under s. 409.615 (6), the debtor or  
25          obligor has the burden of establishing that the amount of proceeds of the disposition

1 is significantly below the range of prices that a complying disposition to a person  
2 other than the secured party, a person related to the secured party, or a secondary  
3 obligor would have brought.

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

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

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

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

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

21 or

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

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

- 1 (a) In a judicial proceeding;
- 2 (b) By a bona fide creditors' committee;
- 3 (c) By a representative of creditors; or
- 4 (d) By an assignee for the benefit of creditors.

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

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

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

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

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

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

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

- 22 1. That the person is a debtor or obligor;
- 23 2. The identity of the person; and
- 24 3. How to communicate with the person; or

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

- 3 1. That the person is a debtor; and  
4 2. The identity of the person.

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

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

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

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

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

## 21 SUBCHAPTER VII

### 22 TRANSITION

23 **409.702 Savings clause.** (1) PREEFFECTIVE-DATE TRANSACTIONS OR LIENS.  
24 Except as otherwise provided in this subchapter, 2001 Wisconsin Act .... (this act)  
25 applies to a transaction or lien within its scope, even if the transaction or lien was

1 entered into or created before the effective date of this subsection .... [revisor inserts  
2 date].

3 (2) CONTINUING VALIDITY. Except as otherwise provided in sub. (3) and ss.  
4 409.703 to 409.709:

5 (a) Transactions and liens that were not governed by ch. 409, 1999 stats., were  
6 validly entered into or created before the effective date of this paragraph .... [revisor  
7 inserts date], and would be subject to 2001 Wisconsin Act .... (this act) if they had  
8 been entered into or created on or after the effective date of this paragraph .... [revisor  
9 inserts date], and the rights, duties, and interests flowing from those transactions  
10 and liens remain valid on and after the effective date of this paragraph .... [revisor  
11 inserts date]; and

12 (b) The transactions and liens may be terminated, completed, consummated,  
13 and enforced as required or permitted by 2001 Wisconsin Act .... (this act) or by the  
14 law that otherwise would apply if this paragraph had not taken effect.

15 (3) PREEFFECTIVE-DATE PROCEEDINGS. 2001 Wisconsin Act .... (this act) does not  
16 affect an action, case, or proceeding commenced before the effective date of this  
17 subsection .... [revisor inserts date].

18 **409.703 Security interest perfected before effective date. (1)**  
19 CONTINUING PRIORITY OVER LIEN CREDITOR: PERFECTION REQUIREMENTS SATISFIED. A  
20 security interest that is enforceable immediately before the effective date of this  
21 subsection .... [revisor inserts date], and would have priority over the rights of a  
22 person that becomes a lien creditor at that time is a perfected security interest under  
23 2001 Wisconsin Act .... (this act) if, on the effective date of this subsection .... [revisor  
24 inserts date], the applicable requirements for enforceability and perfection under  
25 2001 Wisconsin Act .... (this act) are satisfied without further action.

1           **(2) CONTINUING PRIORITY OVER LIEN CREDITOR: PERFECTION REQUIREMENTS NOT**  
2 **SATISFIED.** Except as otherwise provided in s. 409.705, if, immediately before the  
3 effective date of this subsection .... [revisor inserts date], a security interest is  
4 enforceable and would have priority over the rights of a person that becomes a lien  
5 creditor at that time, but the applicable requirements for enforceability or perfection  
6 under 2001 Wisconsin Act .... (this act) are not satisfied as of the effective date of this  
7 subsection .... [revisor inserts date], the security interest:

8           (a) Is a perfected security interest until one year after the effective date of this  
9 paragraph .... [revisor inserts date];

10           (b) Remains enforceable on and after one year after the effective date of this  
11 paragraph .... [revisor inserts date], only if the security interest becomes enforceable  
12 under s. 409.203 before one year after the effective date of this paragraph .... [revisor  
13 inserts date]; and

14           (c) Remains perfected on and after one year after the effective date of this  
15 paragraph .... [revisor inserts date], only if the applicable requirements for perfection  
16 under 2001 Wisconsin Act .... (this act) are satisfied before one year after the effective  
17 date of this paragraph .... [revisor inserts date].

18           **409.704 Security interest unperfected before effective date.** A security  
19 interest that is enforceable immediately before the effective date of this section ....  
20 [revisor inserts date], but which would be subordinate to the rights of a person that  
21 becomes a lien creditor at that time:

22           (1) Remains an enforceable security interest for one year after the effective  
23 date of this subsection .... [revisor inserts date];

24           (2) Remains enforceable on and after one year after the effective date of this  
25 subsection .... [revisor inserts date], if the security interest becomes enforceable

1 under s. 409.203 on the effective date of this subsection .... [revisor inserts date], or  
2 within one year thereafter; and

3 (3) Becomes perfected:

4 1. Without further action, on the effective date of this subdivision .... [revisor  
5 inserts date], if the applicable requirements for perfection under 2001 Wisconsin Act  
6 .... (this act) are satisfied before or at that time; or

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

9 **409.705 Effectiveness of action taken before effective date. (1)**

10 ~~PREEFFECTIVE-DATE ACTION; ONE-YEAR PERFECTION PERIOD UNLESS REPERFECTED.~~ If  
11 action, other than the filing of a financing statement, is taken before the effective  
12 date of this subsection .... [revisor inserts date], and the action would have resulted  
13 in priority of a security interest over the rights of a person that becomes a lien  
14 creditor had the security interest become enforceable before the effective date of this  
15 subsection .... [revisor inserts date], the action is effective to perfect a security  
16 interest that attaches under 2001 Wisconsin Act .... (this act) before the effective date  
17 of this subsection .... [revisor inserts date]. An attached security interest becomes  
18 unperfected one year after the effective date of this subsection .... [revisor inserts  
19 date], unless the security interest becomes a perfected security interest under 2001  
20 Wisconsin Act .... (this act) before one year after the effective date of this subsection  
21 .... [revisor inserts date].

22 (2) ~~PREEFFECTIVE-DATE FILING.~~ The filing of a financing statement before the  
23 effective date of this subsection .... [revisor inserts date], is effective to perfect a  
24 security interest to the extent that the filing would satisfy the applicable  
25 requirements for perfection under 2001 Wisconsin Act .... (this act).

1           **(3) PREEFFECTIVE-DATE FILING IN JURISDICTION FORMERLY GOVERNING PERFECTION.**

2           2001 Wisconsin Act .... (this act) does not render ineffective an effective financing  
3           statement that, before the effective date of this subsection .... [revisor inserts date],  
4           is filed and satisfies the applicable requirements for perfection under the law of the  
5           jurisdiction governing perfection as provided in s. 409.103, 1999 stats. However,  
6           except as otherwise provided in subs. (4) and (5) and s. 409.706, the financing  
7           statement ceases to be effective at the earlier of:

8           (a) The time the financing statement would have ceased to be effective under  
9           the law of the jurisdiction in which it is filed; or

10          (b) June 30, 2006.

11          **(4) CONTINUATION STATEMENT.** The filing of a continuation statement on or after  
12          the effective date of this subsection .... [revisor inserts date], does not continue the  
13          effectiveness of the financing statement filed before the effective date of this  
14          subsection .... [revisor inserts date]. However, upon the timely filing of a  
15          continuation statement on or after the effective date of this subsection .... [revisor  
16          inserts date], and in accordance with the law of the jurisdiction governing perfection  
17          as provided in subch. III, the effectiveness of a financing statement filed in the same  
18          office in that jurisdiction before the effective date of this subsection .... [revisor  
19          inserts date], continues for the period provided by the law of that jurisdiction.

20          **(5) APPLICATION OF SUB. (3) (B) TO TRANSMITTING UTILITY FINANCING STATEMENT.**

21          Subsection (3) (b) applies to a financing statement that, before the effective date of  
22          this subsection .... [revisor inserts date], is filed against a transmitting utility and  
23          satisfies the applicable requirements for perfection under the law of the jurisdiction  
24          governing perfection as provided in s. 409.103, 1999 stats., only to the extent that  
25          subch. III provides that the law of a jurisdiction other than the jurisdiction in which

1 the financing statement is filed governs perfection of a security interest in collateral  
2 covered by the financing statement.

3 (6) APPLICATION OF SUBCH. V. A financing statement that includes a financing  
4 statement filed before the effective date of this subsection .... [revisor inserts date],  
5 and a continuation statement filed on or after the effective date of this subsection ....  
6 [revisor inserts date], is effective only to the extent that it satisfies the requirements  
7 of subch. V for an initial financing statement.

8 **409.706 When initial financing statement suffices to continue**  
9 **effectiveness of financing statement.** (1) INITIAL FINANCING STATEMENT IN LIEU  
10 OF CONTINUATION STATEMENT. The filing of an initial financing statement in the office  
11 specified in s. 409.501 continues the effectiveness of a financing statement filed  
12 before the effective date of this subsection .... [revisor inserts date], if:

13 (a) The filing of an initial financing statement in that office would be effective  
14 to perfect a security interest under 2001 Wisconsin Act .... (this act);

15 (b) The preeffective-date financing statement was filed in an office in another  
16 state or another office in this state; and

17 (c) The initial financing statement satisfies sub. (3).

18 (2) PERIOD OF CONTINUED EFFECTIVENESS. The filing of an initial financing  
19 statement under sub. (1) continues the effectiveness of the preeffective-date  
20 financing statement:

21 (a) If the initial financing statement is filed before the effective date of this  
22 paragraph .... [revisor inserts date], for the period provided in s. 409.403, 1999 stats.,  
23 with respect to a financing statement; and

1 (b) If the initial financing statement is filed on or after the effective date of this  
2 paragraph .... [revisor inserts date], for the period provided in s. 409.515 with respect  
3 to an initial financing statement.

4 (3) REQUIREMENTS FOR INITIAL FINANCING STATEMENT UNDER SUB. (1). To be  
5 effective for purposes of sub. (1), an initial financing statement must:

6 (a) Satisfy the requirements of subch. V for an initial financing statement;

7 (b) Identify the preeffective–date financing statement by indicating the office  
8 in which the financing statement was filed and providing the dates of filing and file  
9 numbers, if any, of the financing statement and of the most recent continuation  
10 statement filed with respect to the financing statement; and

11 (c) Indicate that the preeffective–date financing statement remains effective.

12 **409.707 Amendment of preeffective–date financing statement. (1)**  
13 **PREEFFECTIVE–DATE FINANCING STATEMENT.** In this section, “preeffective–date  
14 financing statement” means a financing statement filed before the effective date of  
15 this subsection .... [revisor inserts date].

16 (2) **APPLICABLE LAW.** On or after the effective date of this subsection .... [revisor  
17 inserts date], a person may add or delete collateral covered by, continue or terminate  
18 the effectiveness of, or otherwise amend the information provided in, a  
19 preeffective–date financing statement only in accordance with the law of the  
20 jurisdiction governing perfection as provided in subch. III. However, the  
21 effectiveness of a preeffective–date financing statement also may be terminated in  
22 accordance with the law of the jurisdiction in which the financing statement is filed.

23 (3) **METHOD OF AMENDING: GENERAL RULE.** Except as otherwise provided in sub.  
24 (4), if the law of this state governs perfection of a security interest, the information

1 in a preeffective–date financing statement may be amended on or after the effective  
2 date of this subsection .... [revisor inserts date], only if:

3 (a) The preeffective–date financing statement and an amendment are filed in  
4 the office specified in s. 409.501;

5 (b) An amendment is filed in the office specified in s. 409.501 concurrently with,  
6 or after the filing in that office of, an initial financing statement that satisfies s.  
7 409.706 (3); or

8 (c) An initial financing statement that provides the information as amended  
9 and satisfies s. 409.706 (3) is filed in the office specified in s. 409.501.

10 (4) METHOD OF AMENDING: CONTINUATION. If the law of this state governs  
11 perfection of a security interest, the effectiveness of a preeffective–date financing  
12 statement may be continued only under s. 409.705 (4) and (6) or 409.706.

13 (5) METHOD OF AMENDING: ADDITIONAL TERMINATION RULE. Whether or not the law  
14 of this state governs perfection of a security interest, the effectiveness of a  
15 preeffective–date financing statement filed in this state may be terminated on or  
16 after the effective date of this subsection .... [revisor inserts date], by filing a  
17 termination statement in the office in which the preeffective–date financing  
18 statement is filed, unless an initial financing statement that satisfies s. 409.706 (3)  
19 has been filed in the office specified by the law of the jurisdiction governing perfection  
20 as provided in subch. III as the office in which to file a financing statement.

21 **409.708 Persons entitled to file initial financing statement or**  
22 **continuation statement.** A person may file an initial financing statement or a  
23 continuation statement under this subchapter if:

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

25 (2) The filing is necessary under this subchapter:

1 (a) To continue the effectiveness of a financing statement filed before the  
2 effective date of this paragraph .... [revisor inserts date]; or

3 (b) To perfect or continue the perfection of a security interest.

4 **409.709 Priority. (1) LAW GOVERNING PRIORITY.** 2001 Wisconsin Act .... (this  
5 act) determines the priority of conflicting claims to collateral. However, if the  
6 relative priorities of the claims were established before the effective date of this  
7 subsection .... [revisor inserts date], ch. 409, 1999 stats., determines priority.

8 **(2) PRIORITY IF SECURITY INTEREST BECOMES ENFORCEABLE UNDER S. 409.203.** For  
9 purposes of s. 409.322 (1), the priority of a security interest that becomes enforceable  
10 under s. 409.203 dates from the effective date of this subsection .... [revisor inserts  
11 date], if the security interest is perfected under 2001 Wisconsin Act .... (this act) by  
12 the filing of a financing statement before the effective date of this subsection ....  
13 [revisor inserts date], which would not have been effective to perfect the security  
14 interest under ch. 409, 1999 stats. This subsection does not apply to conflicting  
15 security interests each of which is perfected by the filing of such a financing  
16 statement.

17 **409.710 Special transitional provision for maintaining and searching**  
18 **local filing office records. (1) DEFINITIONS.** In this section:

19 (a) “Former-ch.-409 records”:

20 1. Means:

21 a. Financing statements and other records that have been filed in a local filing  
22 office before July 1, 2001, and that are, or upon processing and indexing will be,  
23 reflected in the index maintained, as of June 30, 2001, by the local filing office for  
24 financing statements and other records filed in the local filing office before July 1,  
25 2001; and

1           b. The index as of June 30, 2001.

2           2. Does not include records presented to a local filing office for filing after June  
3 30, 2001, whether or not the records relate to financing statements filed in the local  
4 filing office before July 1, 2001.

5           (b) “Local filing office” means a filing office, other than the department of  
6 financial institutions, that is designated as the proper place to file a financing  
7 statement under s. 409.401 (1), 1999 stats., with respect to a record that covers a type  
8 of collateral as to which the filing office is designated in that subsection as the proper  
9 place to file.

10           (2) PROHIBITION OF FILING AFTER JUNE 30, 2001. A local filing office shall not accept  
11 for filing a record presented after June 30, 2001, whether or not the record relates  
12 to a financing statement filed in the local filing office before July 1, 2001.

13           (3) MAINTENANCE OF RECORDS. Until July 1, 2008, each local filing office must  
14 maintain all former-ch.-409 records in accordance with ch. 409, 1999 stats. A  
15 former-ch.-409 record that is not reflected on the index maintained at June 30, 2001,  
16 by the local filing office must be processed and indexed, and reflected on the index  
17 as of June 30, 2001, as soon as practicable but in any event no later than July 30,  
18 2001.

19           (4) INFORMATION REQUESTS. Until at least June 30, 2008, each local filing office  
20 must respond to requests for information with respect to former-ch.-409 records  
21 relating to a debtor and issue certificates, in accordance with ch. 409, 1999 stats. The  
22 fees charged for responding to requests for information relating to a debtor and  
23 issuing certificates with respect to former-ch.-409 records must be the fees in effect  
24 under ch. 409, 1999 stats., on June 30, 2001, unless a different fee is later set by the  
25 local filing office. However, the different fee must not exceed the amount set by

1 filing-office rule for responding to a request for information relating to a debtor or  
2 for issuing a certificate. This subsection does not require that a fee be charged for  
3 remote access searching of the filing-office data base. The rule promulgated  
4 pursuant to this subsection need not specify a fee for remote access searching of the  
5 filing-office data base.

6 (5) DESTRUCTION OF RECORDS. After June 30, 2008, each local filing office may  
7 remove and destroy, in accordance with any then-applicable record retention law of  
8 this state, all former-ch.-409 records, including the related index.

9 (6) EXCLUSION. This section does not apply, with respect to financing  
10 statements and other records, to a filing office in which mortgages or records of  
11 mortgages on real property are required to be filed or recorded, if:

12 (a) The collateral is timber to be cut or as-extracted collateral; or

13 (b) The record is or relates to a financing statement filed as a fixture filing and  
14 the collateral is goods that are or are to become fixtures.

15 SECTION 79. 411.103 (3) (a) of the statutes is amended to read:

16 411.103 (3) (a) "Account" — s. ~~409.106~~ 409.102 (1) (ag).

17 SECTION 80. 411.103 (3) (d) of the statutes is amended to read:

18 411.103 (3) (d) "Chattel paper" — s. ~~409.105 (1) (b)~~ 409.102 (1) (cm).

19 SECTION 81. 411.103 (3) (c) of the statutes is amended to read:

20 411.103 (3) (e) "Consumer goods" — s. ~~409.109 (1)~~ 409.102 (1) (fm).

21 SECTION 82. 411.103 (3) (f) of the statutes is amended to read:

22 411.103 (3) (f) "Document" — s. 409.105 (1) (~~f~~) 409.102 (1) (hg).

23 SECTION 83. 411.103 (3) (h) of the statutes is amended to read:

24 411.103 (3) (h) "General intangibles intangible" — s. ~~409.106~~ 409.102 (1) (kg).

25 SECTION 84. 411.103 (3) (j) of the statutes is amended to read:

1           411.103 (3) (j) “Instrument” — s. ~~409.105 (1) (i)~~ 409.102 (1) (Lm).

2           **SECTION 85.** 411.103 (3) (L) of the statutes is amended to read:

3           411.103 (3) (L) “Mortgage” — s. ~~409.105 (1) (j)~~ 409.102 (1) (nm).

4           **SECTION 86.** 411.103 (3) (m) of the statutes is amended to read:

5           411.103 (3) (m) “Pursuant to commitment” — s. ~~409.105 (1) (k)~~ 409.102 (1) (qs).

6           **SECTION 87.** 411.303 (1) and (2) of the statutes are amended to read:

7           411.303 (1) In this section, “creation of a security interest” includes the sale of  
8 a lease contract that is subject to ch. 409 under s. ~~409.102 (1) (b)~~ 409.109 (1) (c).

9           (2) Except as provided in ~~sub. sub. (3) and (4)~~ s. 409.407, a provision in a lease  
10 agreement that prohibits the voluntary or involuntary transfer, including a transfer  
11 by sale, sublease, creation or enforcement of a security interest, or attachment, levy,  
12 or other judicial process, of an interest of a party under the lease contract or of the  
13 lessor’s residual interest in the goods, or that makes such a transfer an event of  
14 default, gives rise to the rights and remedies provided in sub. ~~(5)~~ (4), but a transfer  
15 that is prohibited or is an event of default under the lease agreement is otherwise  
16 effective.

17           **SECTION 88.** 411.303 (3) of the statutes is repealed.

18           **SECTION 89.** 411.303 (4) of the statutes is renumbered 411.303 (3) and amended  
19 to read:

20           411.303 (3) A provision in a lease agreement that prohibits a transfer of a right  
21 to damages for default with respect to the whole lease contract or of a right to  
22 payment arising out of the transferor’s due performance of the transferor’s entire  
23 obligation, or that makes such a transfer an event of default, is not enforceable, and  
24 such a transfer is not a transfer that materially impairs the prospect of obtaining  
25 return performance by, materially changes the duty of, or materially increases the

1 burden or risk imposed on, the other party to the lease contract within the purview  
2 of sub. ~~(5)~~ (4).

3 SECTION 90. 411.303 (5) of the statutes is renumbered 411.303 (4), and 411.303  
4 (4) (intro.), as renumbered, is amended to read:

5 411.303 (4) (intro.) Subject to ~~subs.~~ sub. (3) and ~~(4)~~ s. 409.407:

6 SECTION 91. 411.303 (6), (7) and (8) of the statutes are renumbered 411.303 (5),  
7 (6) and (7).

8 SECTION 92. 411.307 (2) (intro.) and (a) of the statutes are consolidated,  
9 renumbered 411.307 (2) and amended to read:

10 411.307 (2) Except as provided in ~~subs.~~ sub. (3) and ~~(4)~~ and ss. 411.306 and  
11 411.308, a creditor of a lessor takes subject to the lease contract unless ~~any of the~~  
12 ~~following occurs:~~ ~~(a) The~~ the creditor holds a lien that attached to the goods before  
13 the lease contract became enforceable.

14 SECTION 93. 411.307 (2) (b) and (c) of the statutes are repealed.

15 SECTION 94. 411.307 (3) of the statutes is repealed and recreated to read:

16 411.307 (3) Except as otherwise provided in ss. 409.317, 409.321, and 409.323,  
17 a lessee takes a leasehold interest subject to a security interest held by a creditor of  
18 the lessor.

19 SECTION 95. 411.307 (4) of the statutes is repealed.

20 SECTION 96. 411.309 (1) (c) of the statutes is amended to read:

21 411.309 (1) (c) “Fixture filing” means a filing, in the office where a record of a  
22 mortgage on real estate would be filed or recorded, of a financing statement covering  
23 goods that are or are to become fixtures and conforming to the requirements of s.  
24 ~~409.402~~ ~~(5)~~ 409.502 (1) and (2).

25 SECTION 97. 421.301 (21) of the statutes is amended to read:

1           421.301 (21) “Goods” has the meaning given in s. 409.102 (1) (ks) and includes  
2 goods (~~s. 409.105~~) not in existence at the time the transaction is entered into and  
3 goods which are or are to become fixtures.

4           **SECTION 98.** 422.413 (2r) (intro.) of the statutes is amended to read:

5           422.413 (2r) (intro.) Notwithstanding s. ~~409.504~~ 409.615 (1), the proceeds of  
6 any disposition of collateral referred to in sub. (2g) shall be applied in the following  
7 order to:

8           **SECTION 99.** 422.413 (2r) (f) of the statutes is amended to read:

9           422.413 (2r) (f) The satisfaction of indebtedness secured by any subordinate  
10 security interest in the collateral, subject to the restrictions set forth in s. ~~409.504~~  
11 409.615 (1) (c) and (2).

12           **SECTION 100.** 425.105 (4) of the statutes is amended to read:

13           425.105 (4) With respect to consumer credit transactions in which the creditor  
14 has a security interest in, and possession of, instruments or documents (~~s. 409.105~~),  
15 as each is defined in s. 409.102 (1), which threaten to decline speedily in value, this  
16 section does not restrict the creditor’s rights to dispose of such property pursuant to  
17 ~~s. 409.504 subch. VI of ch. 409~~ and the terms of the creditor’s security agreement.

18           **SECTION 101.** 425.203 (3) (intro.) of the statutes is amended to read:

19           425.203 (3) (intro.) Following recovery of collateral pursuant to a judgment  
20 under sub. (2), the merchant may either retain the collateral in full satisfaction of  
21 the customer’s obligation pursuant to ~~s. 409.505~~ ss. 409.620 to 409.624, in which  
22 event the merchant shall satisfy the judgment obtained pursuant to sub. (2); or shall  
23 dispose of the collateral pursuant to ~~s. 409.504 subch. VI of ch. 409~~, in which event:

24           **SECTION 102.** 425.204 (2) of the statutes is amended to read:

1           425.204 (2) The rights and obligations of the merchant and customer with  
2 respect to collateral voluntarily surrendered as defined in this section shall be  
3 governed by ~~ss. 409.504 to 409.507~~ subch. VI of ch. 409, and are not subject to this  
4 subchapter.

5           **SECTION 103.** 425.207 (2) of the statutes is amended to read:

6           425.207 (2) A merchant who reasonably believes that a customer has  
7 abandoned collateral or goods subject to a consumer lease may take possession of  
8 such collateral or leased goods and preserve it. However, the customer may recover  
9 such collateral or leased goods upon request unless at the time of request the  
10 customer has surrendered the collateral or leased goods, or judgment for the  
11 merchant has been entered in a proceeding for recovery of collateral or leased goods  
12 under s. 425.205 or in a judgment described in s. 425.203 (2). A merchant taking  
13 possession of collateral or leased goods pursuant to this section shall promptly send  
14 notification to the customer's last-known address of such action and of the  
15 customer's right to recover such collateral or leased goods under this section. If the  
16 collateral or leased goods are recovered by the customer pursuant to this section, it  
17 shall be returned to the customer at the location where the merchant took possession  
18 of such collateral or leased goods pursuant to this section or, at the option of the  
19 merchant, at such other location designated by the customer; and any expense  
20 incurred by the merchant in taking possession of, holding and returning the  
21 collateral or leased goods to the customer shall be borne by the merchant. If after  
22 taking possession of collateral or leased goods pursuant to this subsection, the  
23 merchant perfects the right to possession through a surrender by the customer or a  
24 judgment under s. 425.203 (2) or 425.205, the customer is liable for the expenses set  
25 forth in s. ~~409.504~~ 409.615 (1). In determining such expenses, leased goods shall be

1 considered collateral under s. ~~409.504~~ 409.615 (1). However, a customer is not liable  
2 for expenses of holding the collateral or leased goods from the time the merchant  
3 takes possession until the merchant perfects the right to possession in the manner  
4 provided in this subsection.

5 **SECTION 104.** 425.208 (6) of the statutes is amended to read:

6 425.208 (6) The creditor shall not dispose of the collateral or enter into a  
7 contract for the disposition of the collateral, until the expiration of the period for  
8 redemption provided in this section, unless the collateral is perishable or threatens  
9 to decline speedily in value. Upon the expiration of such period any disposition of the  
10 collateral shall be subject to ~~ss. 409.504, 409.505 and 409.506~~ subch. VI of ch. 409,  
11 except that the customer may be liable for a deficiency only to the extent provided  
12 in ss. 425.209 and 425.210.

13 **SECTION 105.** 779.48 (2) of the statutes is amended to read:

14 779.48 (2) Every person given a lien by ss. 779.41 and 779.43 (3) may in case  
15 the claim remains unpaid for 2 months after the debt is incurred, and a person given  
16 a lien under s. 779.47 (2) may if the claim remains unpaid 90 days after the lien is  
17 perfected, enforce such lien by sale of the property substantially in conformity with  
18 ~~ss. 409.501 to 409.507~~ subch. VI of ch. 409 and the lien claimant shall have the rights  
19 and duties of a secured party thereunder. When such sections are applied to the  
20 enforcement of such lien the word debtor or equivalent when used therein shall be  
21 deemed to refer to the owner of the property and any other person having an interest  
22 shown by instrument filed as required by law or shown in the records of the  
23 department of transportation, and the word indebtedness or equivalent shall include  
24 all claims upon which such lien is based.

25 **SECTION 106.** 779.89 of the statutes is amended to read:

1           **779.89 Attachment and preservation.** All prepaid maintenance liens  
2 attach at the time of the first prepayment and shall be preserved from the time the  
3 lien attaches. It is not necessary to file or record any notice of the lien in order to  
4 preserve or perfect the lien although a customer may file this lien in the manner  
5 prescribed for perfecting liens under subch. III of ch. 409 regarding debtors who are  
6 located in this state.

7           **SECTION 107.** 779.91 (2) of the statutes is amended to read:

8           779.91 (2) Upon discharge of a prepaid maintenance lien, any customer who  
9 filed the lien as permitted in s. 779.89 is subject to the requirements of s. 409.404  
10 409.513.

11           **SECTION 108.** 779.97 (4) (a) 1. of the statutes is amended to read:

12           779.97 (4) (a) 1. With the department of financial institutions, the filing officer  
13 shall cause the notice to be ~~marked, held and indexed~~ dealt with in accordance with  
14 s. 409.403 (4) 409.519 as if the notice were a financing statement within the meaning  
15 of chs. 401 to 411; or

16           **SECTION 109.** 779.97 (4) (b) 1. of the statutes is amended to read:

17           779.97 (4) (b) 1. If a refiling of a notice of lien is presented to the department  
18 of financial institutions for filing, the filing officer shall cause the refiled notice of  
19 federal lien to be ~~marked, held and indexed~~ dealt with in accordance with s. 409.403  
20 409.519 as if the refiling were a continuation statement within the meaning of chs.  
21 401 to 411, except that the time period in par. (d) shall apply instead of the time period  
22 in s. 409.403 (2) and (3) 409.515.

23           **SECTION 110.** 779.97 (4) (b) 2. of the statutes is amended to read:

24           779.97 (4) (b) 2. If a certificate of release is presented to the department of  
25 financial institutions for filing, the filing officer shall cause the certificate to be

1 ~~marked, held and indexed~~ dealt with in accordance with s. ~~409.404~~ 409.513 as if the  
2 certificate were a termination statement within the meaning of chs. 401 to 411, and  
3 the filing officer may remove the notice of federal lien and any related refileing of a  
4 notice of lien, certificate of nonattachment, discharge or subordination from the files  
5 at any time after receipt of the certificate of release, but the department of financial  
6 institutions shall keep the certificate of release or a microfilm or other photographic  
7 record or optical disk or electronic record of the certificate of release in a file, separate  
8 from those containing currently effective notices of liens, for a period of 30 years after  
9 the date of filing of the certificate of release.

10 **SECTION 111.** 779.97 (4) (b) 3. of the statutes is amended to read:

11 779.97 (4) (b) 3. If a certificate of discharge is presented to the department of  
12 financial institutions for filing, the filing officer shall cause the certificate to be  
13 ~~marked, held and indexed~~ dealt with as if the certificate were a ~~release of collateral~~  
14 an amendment that deletes collateral within the meaning of chs. 401 to 411.

15 **SECTION 112.** 779.97 (4) (b) 4. of the statutes is amended to read:

16 779.97 (4) (b) 4. If a certificate of nonattachment or subordination of any lien  
17 is presented to the department of financial institutions for filing, the filing officer  
18 shall cause the certificate to be ~~marked, held and indexed~~ dealt with as if the  
19 certificate were an amendment that deletes collateral within the meaning of chs. 401  
20 to 411.

21 **SECTION 113.** 779.97 (4) (d) of the statutes is amended to read:

22 779.97 (4) (d) Unless a refileing of a notice of lien is presented to a filing officer  
23 for filing within 11 years and 60 days after the date on which a notice of lien or the  
24 latest refileing of a notice of that lien is filed with that officer, the filing officer may  
25 remove the notice of federal lien and any related refileing of a notice of lien, certificate

1 of nonattachment, discharge or subordination from the files. Any refiling of a notice  
2 of lien presented to a filing officer after such removal shall be ~~marked, held and~~  
3 ~~indexed~~ dealt with as though the document were a notice of federal lien instead of  
4 a refiling of a notice of lien.

5 SECTION 114. 779.97 (4) (e) of the statutes is amended to read:

6 779.97 (4) (e) Upon request of any person, the filing officer shall issue a  
7 certificate showing whether there is on file, on the date and hour stated therein, any  
8 notice of federal lien or any related refiling of a notice of lien, certificate of  
9 nonattachment, discharge or subordination filed on or after February 1, 1968,  
10 naming a particular person, and if a notice or certificate is on file, giving the date and  
11 hour of filing of each notice or certificate. ~~The fee for a certificate is \$2. Upon request~~  
12 ~~the filing officer shall furnish a copy of any notice of federal lien or notice or certificate~~  
13 ~~affecting a federal lien for a fee of 50 cents per page~~ If the filing officer is the  
14 department of financial institutions, the filing officer shall include the information  
15 concerning the notice of federal lien, or notice or certificate affecting a federal lien,  
16 in the information communicated or otherwise made available in response to a  
17 request under s. 409.523 (3), and the fee charged shall be that charged in accordance  
18 with s. 409.525.

19 SECTION 115. 815.18 (2) (i) of the statutes is amended to read:

20 815.18 (2) (i) "Farm products" has the meaning given under s. ~~409.109 (3)~~  
21 409.102 (1) (im).

22 SECTION 116. 815.18 (2) (j) of the statutes is amended to read:

23 815.18 (2) (j) "Inventory" has the meaning given under s. ~~409.109 (4)~~ 409.102  
24 (1) (Ls).

25 SECTION 117. 818.02 (4) of the statutes is amended to read:

1           818.02 (4) Subsections (1) and (3) do not apply to any security agreement under  
2           which the plaintiff claims a purchase money security interest, as defined in ~~ch. 409~~  
3           s. 409.103.

4           **SECTION 118.** 893.36 (3) (b) of the statutes is amended to read:

5           893.36 (3) (b) “Collateral” has the meaning provided by s. ~~409.105 (1) (e)~~  
6           409.102 (1) (cs).

7           **SECTION 119.** 893.36 (3) (c) of the statutes is amended to read:

8           893.36 (3) (c) “Debtor” has the meaning provided by s. ~~409.105 (1) (d)~~ 409.102  
9           (1) (gs).

10          **SECTION 120.** 893.36 (3) (e) of the statutes is amended to read:

11          893.36 (3) (e) “Secured party” has the meaning provided by s. ~~409.105 (1) (L)~~  
12          409.102 (1) (rs).

13          **SECTION 121.** 893.36 (3) (f) of the statutes is amended to read:

14          893.36 (3) (f) “Security agreement” has the meaning provided by s. ~~409.105 (1)~~  
15          ~~(m)~~ 409.102 (1) (s).

16          **SECTION 121m. Appropriation changes.**

17          (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
18          to the department of financial institutions under section 20.144 (1) (g) of the statutes,  
19          as affected by the acts of 2001, the dollar amount is increased by \$442,600 for fiscal  
20          year 2000–01 for the administration of chapter 409 of the statutes, including to  
21          increase the authorized FTE project positions for the department by 3.0 PR program  
22          assistant positions for the period ending on June 30, 2002.

23          **SECTION 122g. Effective dates.** This act takes effect on July 1, 2001, or on  
24          the day after publication, whichever is later, except as follows:

