

1 (7) RECORD OF MORTGAGE AS FINANCING STATEMENT. A record of a mortgage that
2 is effective as a financing statement filed as a fixture filing under s. 409.502 (3)
3 remains effective as a financing statement filed as a fixture filing until the mortgage
4 is released or satisfied of record or its effectiveness otherwise terminates as to the
5 real property.

****NOTE: Current s. 409.403 (3), Wis. stats., has nonuniform amendments that adds “or an optical disk or electronic copy. In other cases a lapsed statement may not be destroyed until after one year after the lapse.” after “photographic copy” . Current s. 409.403 (4), Wis. stats., has nonuniform amendments that adds “or an optical disk or electronic copy” after “photographic copy” . Section 409.403 (3) reads: A continuation statement may be filed by the secured party within 6 months prior to the expiration of the 5–year period specified in sub. (2). Any such continuation statement must be signed by the secured party, identify the original statement by file number and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with s. 409.405 (2), including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for 5 years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in sub. (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if the officer has retained a microfilm or other photographic record or an optical disk or electronic copy. In other cases a lapsed statement may not be destroyed until after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if the officer physically destroys the financing statements of a period more than 5 years past, those which have been continued by a continuation statement or which are still effective under sub. (6) shall be retained.”.

I think the use of the defined term “record” picks up these references to optical or electronic. The definition of financing statement is based on record: (jm) “Financing statement” means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.” The conversion table gives 9–403 (3) as the source for new 9–515 and 9–522; and gives 9–403 (4) as the source for new 9–519. Should any of these nonuniform provisions be included in this draft?

6 **409.516 What constitutes filing; effectiveness of filing.** (1) WHAT
7 CONSTITUTES FILING. Except as otherwise provided in sub. (2), communication of a
8 record to a filing office and tender of the filing fee or acceptance of the record by the
9 filing office constitutes filing.

1 **(2) REFUSAL TO ACCEPT RECORD; FILING DOES NOT OCCUR.** Filing does not occur with
2 respect to a record that a filing office refuses to accept because:

3 (a) The record is not communicated by a method or medium of communication
4 authorized by the filing office;

5 (b) An amount equal to or greater than the applicable filing fee is not tendered;

6 (c) The filing office is unable to index the record because:

7 1. In the case of an initial financing statement, the record does not provide a
8 name for the debtor;

9 2. In the case of an amendment or correction statement, the record:

10 a. Does not identify the initial financing statement as required by s. 409.512 or
11 409.518, as applicable; or

12 b. Identifies an initial financing statement whose effectiveness has lapsed
13 under s. 409.515;

14 3. In the case of an initial financing statement that provides the name of a
15 debtor identified as an individual or an amendment that provides a name of a debtor
16 identified as an individual which was not previously provided in the financing
17 statement to which the record relates, the record does not identify the debtor's last
18 name; or

19 4. In the case of a record filed [or recorded] in the filing office described in s.
20 409.501 (1) (a), the record does not provide a sufficient description of the real
21 property to which it relates;

22 (d) In the case of an initial financing statement or an amendment that adds a
23 secured party of record, the record does not provide a name and mailing address for
24 the secured party of record;

1 (e) In the case of an initial financing statement or an amendment that provides
2 a name of a debtor which was not previously provided in the financing statement to
3 which the amendment relates, the record does not:

4 1. Provide a mailing address for the debtor;
5 2. Indicate whether the debtor is an individual or an organization; or
6 3. If the financing statement indicates that the debtor is an organization,
7 provide:

8 a. A type of organization for the debtor;
9 b. A jurisdiction of organization for the debtor; or
10 c. An organizational identification number for the debtor or indicate that the
11 debtor has none;

12 (f) In the case of an assignment reflected in an initial financing statement under
13 s. 409.514 (1) or an amendment filed under s. 409.514 (2), the record does not provide
14 a name and mailing address for the assignee; or

15 (g) In the case of a continuation statement, the record is not filed within the
16 6-month period prescribed by s. 409.515 (4).

17 **(3) RULES APPLICABLE TO SUB. (2).** For purposes of sub. (2):

18 (a) A record does not provide information if the filing office is unable to read or
19 decipher the information; and

20 (b) A record that does not indicate that it is an amendment or identify an initial
21 financing statement to which it relates, as required by s. 409.512, 409.514 or 409.518,
22 is an initial financing statement.

23 **(4) REFUSAL TO ACCEPT RECORD; RECORD EFFECTIVE AS FILED RECORD.** A record that
24 is communicated to the filing office with tender of the filing fee, but which the filing
25 office refuses to accept for a reason other than one set forth in sub. (2), is effective as

1 a filed record except as against a purchaser of the collateral which gives value in
2 reasonable reliance upon the absence of the record from the files.

3 **409.517 Effect of indexing errors.** The failure of the filing office to index a
4 record correctly does not affect the effectiveness of the filed record.

5 **409.518 Claim concerning inaccurate or wrongfully filed record. (1)**
6 CORRECTION STATEMENT. A person may file in the filing office a correction statement
7 with respect to a record indexed there under the person's name if the person believes
8 that the record is inaccurate or was wrongfully filed.

9 Alternative A

10 **(2) SUFFICIENCY OF CORRECTION STATEMENT.** A correction statement must:

11 (a) Identify the record to which it relates by the file number assigned to the
12 initial financing statement to which the record relates;

13 (b) Indicate that it is a correction statement; and

14 (c) Provide the basis for the person's belief that the record is inaccurate and
15 indicate the manner in which the person believes the record should be amended to
16 cure any inaccuracy or provide the basis for the person's belief that the record was
17 wrongfully filed.

18 Alternative B

19 **(2) SUFFICIENCY OF CORRECTION STATEMENT.** A correction statement must:

20 (a) Identify the record to which it relates by:

21 1. The file number assigned to the initial financing statement to which the
22 record relates; and

23 2. If the correction statement relates to a record filed [or recorded] in a filing
24 office described in s. 409.501 (1) (a), the date [and time] that the initial financing
25 statement was filed [or recorded] and the information specified in s. 409.502 (2);

1 (b) Indicate that it is a correction statement; and

2 (c) Provide the basis for the person’s belief that the record is inaccurate and
3 indicate the manner in which the person believes the record should be amended to
4 cure any inaccuracy or provide the basis for the person’s belief that the record was
5 wrongfully filed.

6 End of Alternatives

****NOTE: Which alternative should be included in this draft?

7 **(3) RECORD NOT AFFECTED BY CORRECTION STATEMENT.** The filing of a correction
8 statement does not affect the effectiveness of an initial financing statement or other
9 filed record.

10 Legislative Note: States whose real-estate filing offices require additional
11 information in amendments and cannot search their records by both the name of the
12 debtor and the file number should enact Alternative B to ss. 409.512 (1), 409.518 (2),
13 409.519 (6) and 409.522 (1).

14 **409.519 Numbering, maintaining and indexing records;**
15 **communicating information provided in records. (1) FILING OFFICE DUTIES.**
16 For each record filed in a filing office, the filing office shall:

17 (a) Assign a unique number to the filed record;

18 (b) Create a record that bears the number assigned to the filed record and the
19 date and time of filing;

20 (c) Maintain the filed record for public inspection; and

21 (d) Index the filed record in accordance with subs. (3), (4) and (5).

22 **(2) FILE NUMBER.** A file number [assigned after January 1, 2002,] must include
23 a digit that:

****NOTE: Should the brackets be removed?

1 (a) Is mathematically derived from or related to the other digits of the file
2 number; and

3 (b) Aids the filing office in determining whether a number communicated as the
4 file number includes a single-digit or transpositional error.

5 **(3) INDEXING: GENERAL.** Except as otherwise provided in subs. (4) and (5), the
6 filing office shall:

7 (a) Index an initial financing statement according to the name of the debtor and
8 index all filed records relating to the initial financing statement in a manner that
9 associates with one another an initial financing statement and all filed records
10 relating to the initial financing statement; and

11 (b) Index a record that provides a name of a debtor which was not previously
12 provided in the financing statement to which the record relates also according to the
13 name that was not previously provided.

14 **(4) INDEXING: REAL-PROPERTY-RELATED FINANCING STATEMENT.** If a financing
15 statement is filed as a fixture filing or covers as-extracted collateral or timber to be
16 cut, [it must be filed for record and] the filing office shall index it:

17 (a) Under the names of the debtor and of each owner of record shown on the
18 financing statement as if they were the mortgagors under a mortgage of the real
19 property described; and

20 (b) To the extent that the law of this state provides for indexing of records of
21 mortgages under the name of the mortgagee, under the name of the secured party
22 as if the secured party were the mortgagee thereunder, or, if indexing is by
23 description, as if the financing statement were a record of a mortgage of the real
24 property described.

1 **(5) INDEXING: REAL-PROPERTY-RELATED ASSIGNMENT.** If a financing statement is
2 filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing
3 office shall index an assignment filed under s. 409.514 (1) or an amendment filed
4 under s. 409.514 (2):

5 (a) Under the name of the assignor as grantor; and

6 (b) To the extent that the law of this state provides for indexing a record of the
7 assignment of a mortgage under the name of the assignee, under the name of the
8 assignee.

9 [Alternative A]

10 **(6) RETRIEVAL AND ASSOCIATION CAPABILITY.** The filing office shall maintain a
11 capability:

12 (a) To retrieve a record by the name of the debtor and by the file number
13 assigned to the initial financing statement to which the record relates; and

14 (b) To associate and retrieve with one another an initial financing statement
15 and each filed record relating to the initial financing statement.

16 [Alternative B]

17 **(6) RETRIEVAL AND ASSOCIATION CAPABILITY.** The filing office shall maintain a
18 capability:

19 (a) To retrieve a record by the name of the debtor and:

20 1. If the filing office is described in s. 409.501 (1) (a), by the file number assigned
21 to the initial financing statement to which the record relates and the date [and time]
22 that the record was filed [or recorded]; or

23 2. If the filing office is described in s. 409.501 (1) (b), by the file number assigned
24 to the initial financing statement to which the record relates; and

1 (b) To associate and retrieve with one another an initial financing statement
2 and each filed record relating to the initial financing statement.

3 [End of Alternatives]

4 (7) REMOVAL OF DEBTOR'S NAME. The filing office may not remove a debtor's name
5 from the index until one year after the effectiveness of a financing statement naming
6 the debtor lapses under s. 409.515 with respect to all secured parties of record.

7 (8) TIMELINESS OF FILING OFFICE PERFORMANCE. The filing office shall perform
8 the acts required by subs. (1) to (5) at the time and in the manner prescribed by
9 filing-office rule, but not later than 2 business days after the filing office receives the
10 record in question.

11 [(9) INAPPLICABILITY TO REAL-PROPERTY-RELATED FILING OFFICE. [Subsection]
12 [Subsections] [(2)] [and] [(8)] [does] [do] not apply to a filing office described in s.
13 409.501 (1) (a).]

14 Legislative Notes:

15 1. States whose filing offices currently assign file numbers that include a
16 verification number, commonly known as a "check digit," or can implement this
17 requirement before the effective date of this chapter should omit the bracketed
18 language in sub. (2).

19 2. In states in which writings will not appear in the real property records and
20 indices unless actually recorded the bracketed language in sub. (4) should be used.

21 3. States whose real-estate filing offices require additional information in
22 amendments and cannot search their records by both the name of the debtor and the
23 file number should enact Alternative B to ss. 409.512 (1), 409.518 (2), 409.519 (6) and
24 409.522 (1).

1 4. A state that elects not to require real-estate filing offices to comply with
2 either or both of subs. (2) and (8) may adopt an applicable variation of sub. (9) and
3 add “Except as otherwise provided in sub. (9),” to the appropriate subsection or
4 subsections.

****NOTE: Which alternatives and bracketed material should be included in this draft?

****NOTE: Current s. 409.402 (1) (b), Wis. stats., has two nonuniform provisions. The second sentence is added “409.402 (1) (b) (2nd sentence) In each county, the register of deeds shall enter evidence of financing statements covering fixtures on all indices kept by the register of deeds regarding the transfer of real estate.”. The last sentence is changed to “An accurate reproduction of the security agreement or the financing statement, certified to be a true copy by the secured party, public officer or notary public, or a carbon copy bearing signatures appearing by carbon impression, may be filed.”. The conversion table gives 9-402 (1) as one of the sources for new 9-502, the others being 9-402 (5) and (6). The subject of the 2nd sentence appears to be covered in this section. Should these nonuniform provisions be included in this draft?

****NOTE: Current s. 409.403 (3), Wis. stats., has nonuniform amendments that adds “or an optical disk or electronic copy. In other cases a lapsed statement may not be destroyed until after one year after the lapse.” after “photographic copy” .

****NOTE: Current s. 409.403 (4), Wis. stats., has a nonuniform amendment that adds “or an optical disk or electronic copy” after “photographic copy” . I think the use of the defined term “record” picks up these references to optical or electronic. The conversion table gives 9-403 (3) as the source for new 9-515 and 9-522; and gives 9-403 (4) as the source for new 9-519. The subsection is also nonuniform in other regards. Section 409.403 (4) reads: “Except as provided in sub. (7), a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof, or an optical disk or electronic copy thereof, for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.”. Should any of these nonuniform provisions be included in this draft?

****NOTE: Current s. 409.403 (7) is a nonuniform subsection in that it does not include “and any owner of record shown on the financing statement” after “names of the debtor”. The subsection reads: “409.403 (7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to s. 409.103 (5), or is filed as a fixture filing, the filing officer shall index it under the names of the debtor in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described.”. It also deletes the language in brackets: [it shall be filed for record and”] before “the filing officer”. Should these nonuniform deletions be given effect in this draft?

****NOTE: Current s. 409.403 (8) is a nonuniform subsection that is added. It reads: “409.403 (8) A separate amendment, continuation statement, termination statement, statement of assignment or statement of release shall be filed for each original financing statement to be affected.” Should this subsection be included in this draft?

****NOTE: The conversion table lists 9-405 (2) as a source for new 9-519. Current s. 409.405 (2), Wis. stats., reads: (2) A secured party may assign of record all or part of his or her rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. The officer shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like, including oil and gas, or accounts subject to s. 409.103 (5), the officer shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, the officer shall index the assignment of the financing statement under the name of the assignee. The fee for filing, indexing and furnishing filing data about such a separate statement of assignment is \$5 if the statement is on the standard form prescribed by the department and is \$10 if the statement is not on the standard form or if additional pages are attached to the standard form. A register of deeds shall forward \$3 to the department for each statement of assignment filed with the office of the register of deeds. Notwithstanding this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing under s. 409.402 (6) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than chs. 401 to 411.” Should any of the nonuniform provisions be included in this draft?

1 **409.520 Acceptance and refusal to accept record. (1) MANDATORY REFUSAL**
 2 TO ACCEPT RECORD. A filing office shall refuse to accept a record for filing for a reason
 3 set forth in s. 409.516 (2) and may refuse to accept a record for filing only for a reason
 4 set forth in s. 409.516 (2).

5 **(2) COMMUNICATION CONCERNING REFUSAL.** If a filing office refuses to accept a
 6 record for filing, it shall communicate to the person that presented the record the fact
 7 of and reason for the refusal and the date and time the record would have been filed
 8 had the filing office accepted it. The communication must be made at the time and
 9 in the manner prescribed by filing-office rule but [, in the case of a filing office
 10 described in s. 409.501 (1) (b),] in no event more than 2 business days after the filing
 11 office receives the record.

****NOTE: Should the bracketed material be included in this draft?

1 (3) WHEN FILED FINANCING STATEMENT EFFECTIVE. A filed financing statement
2 satisfying s. 409.502 (1) and (2) is effective, even if the filing office is required to
3 refuse to accept it for filing under sub. (1). However, s. 409.338 applies to a filed
4 financing statement providing information described in s. 409.516 (2) (e) which is
5 incorrect at the time the financing statement is filed.

6 (4) SEPARATE APPLICATION TO MULTIPLE DEBTORS. If a record communicated to a
7 filing office provides information that relates to more than one debtor, this
8 subchapter applies as to each debtor separately.

9 Legislative Note: A state that elects not to require real-property filing offices
10 to comply with sub. (2) should include the bracketed language.

****NOTE: Should this draft include the bracketed material?

11 **409.521 Uniform form of written financing statement and amendment.**

12 (1) INITIAL FINANCING STATEMENT FORM. A filing office that accepts written records
13 may not refuse to accept a written initial financing statement in the following form
14 and format except for a reason set forth in s. 409.516 (2):

****NOTE: Current s. 409.402 (9). Wis. stats., is a nonuniform addition. It reads:
“409.402 (9) A financing statement signed by one spouse is signed by the debtor under this
section if that spouse acting alone has the right under s. 766.51 to manage and control
the collateral, unless a marital property agreement or court decree which is binding on
the secured party under s. 766.55 (4m) or 766.56 (2) (c) provides otherwise.”. The
conversion table lists 9-402 (1) through (8) as sources for 9-502, 9-503 (a) (4), 9-504,
9-506, 9-507, 9-512, and 9-521. Should this subsection be included in this draft?

****NOTE: Current s. 409.402 (3), Wis. stats., is nonuniform in that Wisconsin
deletes item #2, rennumbers #3 and #4 to be #2 and #3 and modifies item #2.

“409.402 (3) A form substantially as follows is sufficient to comply with sub. (1):
Name of debtor (or assignor) Address Name of secured party (or assignee) Address

409.402 (3) (d)1.

1. This financing statement covers the following types (or items) of property:
(Describe)
2. The above goods are to become fixtures on (Legal Description of Real Estate) and
this financing statement is to be filed in the real estate records.
3. (If products of collateral are claimed) Products of the collateral are also covered.
Signature of Debtor (or Assignor)
Signature of Secured Party (or Assignee)
(use whichever is applicable)”.

Should any of these changes be included in this draft?

***NOTE: Current s. 409.402 (3m) is a nonuniform addition. It reads: 409.402 (3m) The department shall prescribe by rule standard forms for filing a financing statement, continuation statement, termination statement, statement of assignment or statement of release. A filing officer may refuse to accept statements not on the required form or not containing information required under sub. (1).” Should this subsection be included in this draft?

1



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE

1. DEBTOR'S EXACT FULL LEGAL NAME insert only one debtor name (1a OR 1b) do not abbreviate OR combine names

1a. ORGANIZATION'S NAME					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	
1c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
1d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #,	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME insert only one debtor name (2a OR 2b) do not abbreviate OR combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
2d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #,	

3. SECURED PARTY'S NAME (OR NAME OF TOTAL ASSIGNEE OF ASSIGNOR S/P) insert only one secured party name (3a OR 3b)

3a. ORGANIZATION'S NAME					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	
3c. MAILING ADDRESS			CITY	STATE	POSTAL CODE

4. This FINANCING STATEMENT covers the following collateral:

1

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a Or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX
10. MISCELLANEOUS:		

UH

THE ABOVE SPACE IS FOR FILING OFFICE

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME <input checked="" type="checkbox"/> insert only <u>one</u> name (11a Or 11b) <input type="checkbox"/> do not abbreviate Or combine names				
11a. ORGANIZATION'S NAME				
OR		11b. INDIVIDUAL'S LAST NAME		
		FIRST NAME	MIDDLE NAME	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
11d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
12. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S or <input type="checkbox"/> ASSIGNOR S/P'S NAME <input checked="" type="checkbox"/> insert only <u>one</u> name (12a Or 12b)				
12a. ORGANIZATION'S NAME				
OR		12b. INDIVIDUAL'S LAST NAME		
		FIRST NAME	MIDDLE NAME	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, Or is filed as a fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

1 **(2) AMENDMENT FORM.** A filing office that accepts written records may not refuse
2 to accept a written record in the following form and format except for a reason set
3 forth in s. 409.516 (2):

 ***NOTE: Should these forms be made bigger. I believe they are at 80%.

1



UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #	1b. This FINANCING STATEMENT <input type="checkbox"/> be filed [for record] (or recorded ESTATE RECORDS.
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2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination.
3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation is continued for the additional period provided by applicable law.
4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.
5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
- CHANGE** name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. **DELETE** name: Give record name to be deleted in item 6a or 6b. **ADD** name: Complete item 7a or 7b also complete items 7d-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME		
OR 6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME		
OR 7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
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7d. TAX ID #: SSN OR EIN	ADD'L. INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
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8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
Describe collateral deleted or added, Or give entire restated collateral description, Or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing

9a. ORGANIZATION'S NAME

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)		
12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)		
12a. ORGANIZATION'S NAME		
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFF

1 **409.522 Maintenance and destruction of records.**

2 [Alternative A]

1 (1) POST-LAPSE MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office
2 shall maintain a record of the information provided in a filed financing statement for
3 at least one year after the effectiveness of the financing statement has lapsed under
4 s. 409.515 with respect to all secured parties of record. The record must be
5 retrievable by using the name of the debtor and by using the file number assigned
6 to the initial financing statement to which the record relates.

7 [Alternative B]

8 (1) POST-LAPSE MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office
9 shall maintain a record of the information provided in a filed financing statement for
10 at least one year after the effectiveness of the financing statement has lapsed under
11 s. 409.515 with respect to all secured parties of record. The record must be
12 retrievable by using the name of the debtor and:

13 (a) If the record was filed [or recorded] in the filing office described in s. 409.501
14 (1) (a), by using the file number assigned to the initial financing statement to which
15 the record relates and the date [and time] that the record was filed [or recorded]; or

16 (b) If the record was filed in the filing office described in s. 409.501 (1) (b), by
17 using the file number assigned to the initial financing statement to which the record
18 relates.

19 End of Alternatives

 ***NOTE: Should this draft include the bracketed material? Which alternative
should be included in this draft?

20 (2) DESTRUCTION OF WRITTEN RECORDS. Except to the extent that a statute
21 governing disposition of public records provides otherwise, the filing office
22 immediately may destroy any written record evidencing a financing statement.

1 However, if the filing office destroys a written record, it shall maintain another
2 record of the financing statement which complies with sub. (1).

3 Legislative Note: States whose real-estate filing offices require additional
4 information in amendments and cannot search their records by both the name of the
5 debtor and the file number should enact Alternative B to ss. 409.512 (1), 409.518 (2),
6 409.519 (6) and 409.522 (1).

 ***NOTE: Current s. 409.403 (3), Wis. stats., has nonuniform amendments that
 adds “or an optical disk or electronic copy. In other cases a lapsed statement may not be
 destroyed until after one year after the lapse.” after “photographic copy” . Current s.
 409.403 (4), Wis. stats., has nonuniform amendments that adds “or an optical disk or
 electronic copy” after “photographic copy” . I think the use of the defined term “record”
 picks up these references to optical or electronic. The conversion table gives 9-403 (3) as
 the source for new 9-515 and 9-522; and gives 9-403 (4) as the source for new 9-519.
 Should any of these nonuniform provisions be included in this draft?

7 **409.523 Information from filing office; sale or license of records. (1)**

8 **ACKNOWLEDGMENT OF FILING WRITTEN RECORD.** If a person that files a written record
9 requests an acknowledgment of the filing, the filing office shall send to the person
10 an image of the record showing the number assigned to the record pursuant to s.
11 409.519 (1)(a) and the date and time of the filing of the record. However, if the person
12 furnishes a copy of the record to the filing office, the filing office may instead:

13 (a) Note upon the copy the number assigned to the record pursuant to s. 409.519
14 (1) (a) and the date and time of the filing of the record; and

15 (b) Send the copy to the person.

16 **(2) ACKNOWLEDGMENT OF FILING OTHER RECORD.** If a person files a record other
17 than a written record, the filing office shall communicate to the person an
18 acknowledgment that provides:

19 (a) The information in the record;

20 (b) The number assigned to the record pursuant to s. 409.519 (1) (a); and

21 (c) The date and time of the filing of the record.

1 **(3) COMMUNICATION OF REQUESTED INFORMATION.** The filing office shall
2 communicate or otherwise make available in a record the following information to
3 any person that requests it:

4 (a) Whether there is on file on a date and time specified by the filing office, but
5 not a date earlier than 3 business days before the filing office receives the request,
6 any financing statement that:

7 1. Designates a particular debtor [or, if the request so states, designates a
8 particular debtor at the address specified in the request];

 ****NOTE: Should this draft include the bracketed material?

9 2. Has not lapsed under s. 409.515 with respect to all secured parties of record;
10 and

11 3. If the request so states, has lapsed under s. 409.515 and a record of which is
12 maintained by the filing office under s. 409.522 (1);

13 (b) The date and time of filing of each financing statement; and

14 (c) The information provided in each financing statement.

15 **(4) MEDIUM FOR COMMUNICATING INFORMATION.** In complying with its duty under
16 sub. (3), the filing office may communicate information in any medium. However, if
17 requested, the filing office shall communicate information by issuing [its written
18 certificate] [a record that can be admitted into evidence in the courts of this state
19 without extrinsic evidence of its authenticity].

 ****NOTE: Should this draft include the bracketed material?

20 **(5) TIMELINESS OF FILING OFFICE PERFORMANCE.** The filing office shall perform
21 the acts required by subs. (1) to (4) at the time and in the manner prescribed by
22 filing-office rule, but not later than 2 business days after the filing office receives the
23 request.

1 **(6) PUBLIC AVAILABILITY OF RECORDS.** At least weekly, the [department of
2 financial institutions] [filing office] shall offer to sell or license to the public on a
3 nonexclusive basis, in bulk, copies of all records filed in it under this subchapter, in
4 every medium from time to time available to the filing office.

 ***NOTE: Which alternative should this draft include from the bracketed material?

5 Legislative Notes:

6 1. States whose filing office does not offer the additional service of responding
7 to search requests limited to a particular address should omit the bracketed
8 language in sub. (3) (a) 1.

9 2. A state that elects not to require real-estate filing offices to comply with
10 either or both of subs. (5) and (6) should specify in the appropriate subsection(s) only
11 the filing office described in s. 409.501 (1) (b).

 ***NOTE: Current s. 409.407 (2), Wis. stats., is nonuniform throughout and current
s. 409.407 (3), Wis. stats., is nonuniform in that it is entirely additional. They read:
“409.407 (2) Oral request for information from filing officer; issuance of certificate; fees.

409.407 (2) (a)

(a) Upon the oral request of any person, the filing officer shall disclose orally at the time of the request or as soon thereafter as possible any presently effective statement naming a particular debtor and if there is such a statement, giving the date and hour of filing of each such statement and the names and addresses of each secured party therein. The fee for the information is \$10. Upon the request for a copy of a statement, the filing officer shall furnish copies for a fee of \$1 per page.

409.407 (2) (b)

(b) Upon request of any person, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated therein, any presently effective statement naming a particular debtor and if there is, giving the date and hour of filing of each such statement and the names and addresses of each secured party therein. The fee for such a certificate is \$10. Upon request the filing officer shall furnish a certificate and copies of any filed statement for a fee of \$1 for each page of the copied statement.

409.407 (2) (c)

(c) For providing any service under par. (a) or (b) in an expeditious manner, the department may charge and collect an expedited service fee of \$25 in addition to any fee required under par. (a) or (b). Only one expedited service fee may be charged for multiple identical certificates if the certificates are requested at the same time and issued at the same time.

409.407 (3)

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(3) Liability of filing officer. No filing officer nor any of the filing officer's employes or agents shall be subject to personal liability by reason of any error or omission in the performance of any duty under ch. 409 except in case of misconduct as defined in s. 946.12.?. The conversion list gives 9-407 as the source for new 9-523. Should any of these nonuniform provisions be included in this draft?

1 **409.524 Delay by filing office.** Delay by the filing office beyond a time limit
2 prescribed by this subchapter is excused if:

3 (1) The delay is caused by interruption of communication or computer facilities,
4 war, emergency conditions, failure of equipment or other circumstances beyond
5 control of the filing office; and

6 (2) The filing office exercises reasonable diligence under the circumstances.

7 **409.525 FEES.** (1) INITIAL FINANCING STATEMENT: GENERAL. Except as otherwise
8 provided in sub. (5), the fee for filing and indexing a record under this subchapter,
9 other than an initial financing statement of the kind described in s. 409.502 (3), is
10 [the amount specified in sub. (3), if applicable, plus]:

 ***NOTE: Should this draft include the bracketed material?

11 (a) \$ [X] if the record is communicated in writing and consists of one
12 or 2 pages;

13 (b) \$ [2X] if the record is communicated in writing and consists of more
14 than 2 pages; and

15 (c) \$ [1/2X] if the record is communicated by another medium authorized
16 by filing-office rule.

17 (2) INITIAL FINANCING STATEMENT: S. 409.502 (3). Except as otherwise provided in
18 sub. (5), the fee for filing and indexing an initial financing statement of the kind
19 described in s. 409.502 (3) is [the amount specified in sub. (3), if applicable, plus]:

 ***NOTE: Should this draft include the bracketed material?

20 (a) \$ if the financing statement indicates that it is filed in connection with
21 a public-finance transaction; and

1 (b) \$ ____ if the financing statement indicates that it is filed in connection with
2 a manufactured-home transaction.

3 [Alternative A]

4 (3) NUMBER OF NAMES. The number of names required to be indexed does not
5 affect the amount of the fee in subs. (1) and (2).

6 [Alternative B]

7 (3) NUMBER OF NAMES. Except as otherwise provided in sub. (5), if a record is
8 communicated in writing, the fee for each name more than 2 required to be indexed
9 is \$ _____.

10 [End of Alternatives]

****NOTE: Which alternative should this draft include?

11 (4) RESPONSE TO INFORMATION REQUEST. The fee for responding to a request for
12 information from the filing office, including for [issuing a certificate showing]
13 [communicating] whether there is on file any financing statement naming a
14 particular debtor, is:

****NOTE: Which of the alternatives in the bracketed material should be included
in this draft?

15 (a) \$ ____ if the request is communicated in writing; and

16 (b) \$ ____ if the request is communicated by another medium authorized by
17 filing-office rule.

18 (5) RECORD OF MORTGAGE. This section does not require a fee with respect to a
19 record of a mortgage which is effective as a financing statement filed as a fixture
20 filing or as a financing statement covering as-extracted collateral or timber to be cut
21 under s. 409.502 (3). However, the recording and satisfaction fees that otherwise
22 would be applicable to the record of the mortgage apply.

23 Legislative Notes:

1 1. To preserve uniformity, a state that places the provisions of this section
2 together with statutes setting fees for other services should do so without
3 modification.

4 2. A state should enact sub. (3), Alternative A, and omit the bracketed language
5 in subs. (1) and (2) unless its indexing system entails a substantial additional cost
6 when indexing additional names.

****NOTE: Current s. 409.403 (5), Wis. stats., is a nonuniform provision. The conversion table gives 9-403 (4) as the source for new 9-525. Current s. 409.403 (5), Wis. stats., reads: 409.403 (5)

409.403 (5) (a)

(a) Fees for filing with the office of the register of deeds.

409.403 (5) (a)1.

1. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement is \$8 if the statement is on the standard form prescribed by the department and is \$16 if the statement is not on the standard form or if additional pages are attached to the standard form. The fee for filing an original financing statement subject to s. 409.402 (5) is \$10 if the statement is on the standard form and is \$20 if the statement is not on the standard form or if additional pages are attached to the standard form.

409.403 (5) (a)1m.

1m. There is no fee for processing the termination statement.

409.403 (5) (a)2.

2. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an amendment or a continuation statement is \$5 if the amendment or statement is on the standard form prescribed by the department and is \$10 if the amendment or statement is not on the standard form or if additional pages are attached to the standard form.

409.403 (5) (a)3.

3. A register of deeds shall forward \$3 to the department for each original financing statement filed with the office of the register of deeds under subd. 1. and for each amendment and each continuation statement filed with the office of the register of deeds under subd. 2.

409.403 (5) (b)

(b) Fees for filing with the department of financial institutions.

409.403 (5) (b)1.

1. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement is \$8 if the statement is on the standard form prescribed by the department and is \$16 if the statement is not on the standard form or if additional pages are attached to the standard form.

409.403 (5) (b)1m.

1m. There is no fee for processing the termination statement.

409.403 (5) (b)2.

2. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an amendment or a continuation statement is \$5 if the amendment or statement is on the standard form prescribed by the department and is \$10 if the amendment or statement is not on the standard form or if additional pages are attached to the standard form.”.

I assume that we need the help of the department of financial institutions in properly establishing the fees.

1 **409.526 Filing office rules. (1) ADOPTION OF FILING-OFFICE RULES.** The
2 secretary of financial institutions shall promulgate filing-office rules to implement
3 this chapter. The filing-office rules must be:

4 (a) Consistent with this chapter; and

5 (b) Promulgated in accordance with ch. 227.

6 **(2) HARMONIZATION OF RULES.** To keep the filing-office rules and practices of the
7 filing office in harmony with the rules and practices of filing offices in other
8 jurisdictions that enact substantially this subchapter, and to keep the technology
9 used by the filing office compatible with the technology used by filing offices in other
10 jurisdictions that enact substantially this subchapter, the secretary of financial
11 institutions, so far as is consistent with the purposes, policies and provisions of this
12 chapter, in promulgating filing-office rules, shall:

13 (a) Consult with filing offices in other jurisdictions that enact substantially this
14 subchapter;

15 (b) Consult the most recent version of the Model Rules promulgated by the
16 International Association of Corporate Administrators or any successor
17 organization; and

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

1 **409.601 Rights after default; judicial enforcement; consignor or buyer**
2 **of accounts, chattel paper, payment intangibles or promissory notes. (1)**

3 RIGHTS OF SECURED PARTY AFTER DEFAULT. After default, a secured party has the rights
4 provided in this subchapter and, except as otherwise provided in s. 409.602, those
5 provided by agreement of the parties. A secured party:

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

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

10 (2) RIGHTS AND DUTIES OF SECURED PARTY IN POSSESSION OR CONTROL. A secured
11 party in possession of collateral or control of collateral under s. 409.104, 409.105,
12 409.106 or 409.107 has the rights and duties provided in s. 409.207.

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

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

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

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

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

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

1 **(6) EXECUTION SALE.** A sale pursuant to an execution is a foreclosure of the
2 security interest or agricultural lien by judicial procedure within the meaning of this
3 section. A secured party may purchase at the sale and thereafter hold the collateral
4 free of any other requirements of this chapter.

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

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

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

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

17 **(3)** Section 409.607 (3), which deals with collection and enforcement of
18 collateral;

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

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

23 **(6)** Section 409.609 to the extent that it imposes upon a secured party that takes
24 possession of collateral without judicial process the duty to do so without breach of
25 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 surplus
7 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 the
8 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 limited
18 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's 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 this section 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's fees and
9 legal expenses incurred by the secured party;

10 2. The satisfaction of obligations secured by the security interest or agricultural
11 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 this section 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 and
10 the like which by operation of law accompany a voluntary disposition of property of
11 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.

***NOTE: Current s. 409.504 (3) is a nonuniform provision. Wisconsin adds the third sentence and deletes the 4th and 5th sentences. The conversion list gives that subsection as the source for new 9-610, 9-611 and 9-624. Should this draft include the nonuniform provisions in that subsection? The subsection reads: “409.504 (3) Disposition of the collateral may be by public or private proceedings and may be made by way of one

or more contracts. Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms but every aspect of the disposition including the method, manner, time, place and terms must be commercially reasonable. Unless collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if the debtor has not signed after default a statement renouncing or modifying the debtor's right to notification of sale and except in the case of consumer goods to any other person who has a security interest in the collateral and who has duly filed a financing statement indexed in the name of the debtor in this state. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations the secured party may buy at private sale.”.

1 **409.611 Notification before disposition of collateral. (1) NOTIFICATION**

2 DATE. In this section, “notification date” means the earlier of the date on which:

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

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

6 **(2) NOTIFICATION OF DISPOSITION REQUIRED.** Except as otherwise provided in sub.

7 (4), a secured party that disposes of collateral under s. 409.610 shall send to the
8 persons specified in sub. (3) a reasonable authenticated notification of disposition.

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

11 (a) The debtor;

12 (b) Any secondary obligor; and

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

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

****NOTE: New s. 409.611 (3) (c)1. (present 9-504 (3) 5th sentence) is not included
in s. 409.504 (3), Wis. stats. Should it be deleted from here?

****NOTE: Current s. 409.504 (3) is a nonuniform provision. Wisconsin adds the
third sentence and deletes the 4th and 5th sentences. The conversion list gives that

subsection as the source for new 9-610, 9-611 and 9-624. Should this draft include the nonuniform provisions in that subsection? The subsection reads: “409.504 (3) Disposition of the collateral may be by public or private proceedings and may be made by way of one or more contracts. Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms but every aspect of the disposition including the method, manner, time, place and terms must be commercially reasonable. Unless collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if the debtor has not signed after default a statement renouncing or modifying the debtor’s right to notification of sale and except in the case of consumer goods to any other person who has a security interest in the collateral and who has duly filed a financing statement indexed in the name of the debtor in this state. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations the secured party may buy at private sale.”.

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

4 a. Identified the collateral;

5 b. Was indexed under the debtor’s name as of that date; and

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

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

11 (4) SUB. (2) INAPPLICABLE: PERISHABLE COLLATERAL; RECOGNIZED MARKET.
12 Subsection (2) does not apply if the collateral is perishable or threatens to decline
13 speedily in value or is of a type customarily sold on a recognized market.

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

16 (a) Not later than 20 days or earlier than 30 days before the notification date,
17 the secured party requests, in a commercially reasonable manner, information

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1 concerning financing statements indexed under the debtor’s name in the office
2 indicated in sub. (3) (c) 2.; and

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

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

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

8 **409.612 Timeliness of notification before disposition of collateral. (1)**

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

11 (2) TEN-DAY PERIOD SUFFICIENT IN NON-CONSUMER TRANSACTION. In a transaction
12 other than a consumer transaction, a notification of disposition sent after default and
13 10 days or more before the earliest time of disposition set forth in the notification is
14 sent within a reasonable time before the disposition.

15 **409.613 Contents and form of notification before disposition of**
16 **collateral: general.** Except in a consumer-goods transaction, the following rules
17 apply:

18 (1) The contents of a notification of disposition are sufficient if the notification:

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

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

21 (c) States the method of intended disposition;

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

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

1 (2) Whether the contents of a notification that lacks any of the information
2 specified in sub. (1) are nevertheless sufficient is a question of fact.

3 (3) The contents of a notification providing substantially the information
4 specified in sub. (1) are sufficient, even if the notification includes:

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

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

7 (4) A particular phrasing of the notification is not required.

8 (5) The following form of notification and the form appearing in s. 409.614 (3),
9 when completed, each provides sufficient information:

10 **NOTIFICATION OF DISPOSITION OF COLLATERAL**

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

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

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

14 *[For a public disposition:]*

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

17 Day and Date:

18 Time:

19 Place:

20 *[For a private disposition:]*

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

23 You are entitled to an accounting of the unpaid indebtedness secured by the
24 property that we intend to sell [or lease or license, as *applicable*]

1 [for a charge of \$]. You may request an accounting by calling us at
2 *[telephone number]*

3 [End of Form]

4 **409.614 Contents and form of notification before disposition of**
5 **collateral: consumer-goods transaction.** In a consumer-goods transaction, the
6 following rules apply:

7 (1) A notification of disposition must provide the following information:

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

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

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

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

15 (2) A particular phrasing of the notification is not required.

16 (3) The following form of notification, when completed, provides sufficient
17 information:

18 [Name and address of secured party]

19 [Date]

20 **NOTICE OF OUR PLAN TO SELL PROPERTY**

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

22 Subject: *[Identification of Transaction]*

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

25 *[For a public disposition:]*

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

3 Date:

4 Time:

5 Place:

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

7 [For a private disposition:]

8 We will sell [describe collateral] at private sale sometime after [date]

. A sale could include a lease or license.

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

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

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

21 If you need more information about the sale call us at [telephone number]
22] [or write us at [secured party's address]].

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

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

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

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

11 **(3) APPLICATION OF NONCASH PROCEEDS.** A secured party need not apply or pay
12 over for application noncash proceeds of disposition under this section unless the
13 failure to do so would be commercially unreasonable. A secured party that applies
14 or pays over for application noncash proceeds shall do so in a commercially
15 reasonable manner.

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

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

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

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

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

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

3 **(6) CALCULATION OF SURPLUS OR DEFICIENCY IN DISPOSITION TO PERSON RELATED TO**
4 **SECURED PARTY.** The surplus or deficiency following a disposition is calculated based
5 on the amount of proceeds that would have been realized in a disposition complying
6 with this subchapter to a transferee other than the secured party, a person related
7 to the secured party or a secondary obligor if:

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

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

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

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

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

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

23 **409.616 Explanation of calculation of surplus or deficiency. (1)**

24 **DEFINITIONS.** In this section:

25 (a) “Explanation” means a writing that:

- 1 1. States the amount of the surplus or deficiency;
- 2 2. Provides an explanation in accordance with sub. (3) of how the secured party
- 3 calculated the surplus or deficiency;
- 4 3. States, if applicable, that future debits, credits, charges, including additional
- 5 credit service charges or interest, rebates and expenses may affect the amount of the
- 6 surplus or deficiency; and
- 7 4. Provides a telephone number or mailing address from which additional
- 8 information concerning the transaction is available.

9 (b) “Request” means a record:

- 10 1. Authenticated by a debtor or consumer obligor;
- 11 2. Requesting that the recipient provide an explanation; and
- 12 3. Sent after disposition of the collateral under s. 409.610.

13 **(2) EXPLANATION OF CALCULATION.** In a consumer–goods transaction in which
14 the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under
15 s. 409.615, the secured party shall:

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

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

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

22 (b) In the case of a consumer obligor who is liable for a deficiency, within 14 days
23 after receipt of a request, send to the consumer obligor a record waiving the secured
24 party’s right to a deficiency.

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

3 (a) The aggregate amount of obligations secured by the security interest under
4 which the disposition was made, and, if the amount reflects a rebate of unearned
5 interest or credit service charge, an indication of that fact, calculated as of a specified
6 date:

7 1. If the secured party takes or receives possession of the collateral after
8 default, not more than 35 days before the secured party takes or receives possession;
9 or

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

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

14 (c) The aggregate amount of the obligations after deducting the amount of
15 proceeds;

16 (d) The amount, in the aggregate or by type, and types of expenses, including
17 expenses of retaking, holding, preparing for disposition, processing and disposing of
18 the collateral and attorney's fees secured by the collateral which are known to the
19 secured party and relate to the current disposition;

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

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

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

4 (5) CHARGES FOR RESPONSES. A debtor or consumer obligor is entitled without
5 charge to one response to a request under this section during any 6-month period in
6 which the secured party did not send to the debtor or consumer obligor an
7 explanation pursuant to sub. (2) (a). The secured party may require payment of a
8 charge not exceeding \$25 for each additional response.

9 **409.617 Rights of transferee of collateral.** (1) EFFECTS OF DISPOSITION. A
10 secured party's disposition of collateral after default:

- 11 (a) Transfers to a transferee for value all of the debtor's rights in the collateral;
12 (b) Discharges the security interest under which the disposition is made; and
13 (c) Discharges any subordinate security interest or other subordinate lien
14 [other than liens created under [cite acts or statutes providing for liens, if any, that
15 are not to be discharged]].

*****NOTE: Which statutes creating liens should be included in this draft?

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

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

- 21 (a) The debtor's rights in the collateral;
22 (b) The security interest or agricultural lien under which the disposition is
23 made; and
24 (c) Any other security interest or other lien.

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

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

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

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

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

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

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

12 **409.619 Transfer of record or legal title. (1) TRANSFER STATEMENT.** In this
13 section, “transfer statement” means a record authenticated by a secured party
14 stating:

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

17 (b) That the secured party has exercised its post–default remedies with respect
18 to the collateral;

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

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

22 **(2) EFFECT OF TRANSFER STATEMENT.** A transfer statement entitles the transferee
23 to the transfer of record of all rights of the debtor in the collateral specified in the
24 statement in any official filing, recording, registration or certificate–of–title system
25 covering the collateral. If a transfer statement is presented with the applicable fee

1 and request form to the official or office responsible for maintaining the system, the
2 official or office shall:

- 3 (a) Accept the transfer statement;
- 4 (b) Promptly amend its records to reflect the transfer; and
- 5 (c) If applicable, issue a new appropriate certificate of title in the name of the
6 transferee.

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

11 **409.620 Acceptance of collateral in full or partial satisfaction of**
12 **obligation; compulsory disposition of collateral.** (1) CONDITIONS TO
13 ACCEPTANCE IN SATISFACTION. Except as otherwise provided in sub. (7), a secured party
14 may accept collateral in full or partial satisfaction of the obligation it secures only
15 if:

- 16 (a) The debtor consents to the acceptance under sub. (3);
- 17 (b) The secured party does not receive, within the time set forth in sub. (4), a
18 notification of objection to the proposal authenticated by:

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

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

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

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

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

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

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

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

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

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

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

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

20 3. Does not receive a notification of objection authenticated by the debtor within
21 20 days after the proposal is sent.

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

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