

1 **409.334 Priority of security interests in fixtures and crops.** (1) SECURITY
2 INTEREST IN FIXTURES UNDER THIS CHAPTER. A security interest under this chapter may
3 be created in goods that are fixtures or may continue in goods that become fixtures.
4 A security interest does not exist under this chapter in ordinary building materials
5 incorporated into an improvement on land.

6 (2) SECURITY INTEREST IN FIXTURES UNDER REAL-PROPERTY LAW. This chapter does
7 not prevent creation of an encumbrance upon fixtures under real property law.

8 (3) GENERAL RULE: SUBORDINATION OF SECURITY INTEREST IN FIXTURES. In cases
9 not governed by subs. (4) to (8), a security interest in fixtures is subordinate to a
10 conflicting interest of an encumbrancer or owner of the related real property other
11 than the debtor.

12 (4) FIXTURES PURCHASE-MONEY PRIORITY. Except as otherwise provided in sub.
13 (8), a perfected security interest in fixtures has priority over a conflicting interest of
14 an encumbrancer or owner of the real property if the debtor has an interest of record
15 in or is in possession of the real property and:

16 (a) The security interest is a purchase-money security interest;

17 (b) The interest of the encumbrancer or owner arises before the goods become
18 fixtures; and

19 (c) The security interest is perfected by a fixture filing before the goods become
20 fixtures or within 20 days thereafter.

21 (5) PRIORITY OF SECURITY INTEREST IN FIXTURES OVER INTERESTS IN REAL PROPERTY.
22 A perfected security interest in fixtures has priority over a conflicting interest of an
23 encumbrancer or owner of the real property if:

24 (a) The debtor has an interest of record in the real property or is in possession
25 of the real property and the security interest:

1 1. Is perfected by a fixture filing before the interest of the encumbrancer or
2 owner is of record; and

3 2. Has priority over any conflicting interest of a predecessor in title of the
4 encumbrancer or owner;

5 (b) Before the goods become fixtures, the security interest is perfected by any
6 method permitted by this chapter and the fixtures are readily removable:

7 1. Factory or office machines;

8 2. Equipment that is not primarily used or leased for use in the operation of the
9 real property; or

10 3. Replacements of domestic appliances that are consumer goods;

11 (c) The conflicting interest is a lien on the real property obtained by legal or
12 equitable proceedings after the security interest was perfected by any method
13 permitted by this chapter; or

14 (d) The security interest is:

15 1. Created in a manufactured home in a manufactured-home transaction; and

16 2. Perfected pursuant to a statute described in s. 409.311 (1) (b).

17 **(6) PRIORITY BASED ON CONSENT, DISCLAIMER, OR RIGHT TO REMOVE.** A security
18 interest in fixtures, whether or not perfected, has priority over a conflicting interest
19 of an encumbrancer or owner of the real property if:

20 (a) The encumbrancer or owner has, in an authenticated record, consented to
21 the security interest or disclaimed an interest in the goods as fixtures; or

22 (b) The debtor has a right to remove the goods as against the encumbrancer or
23 owner.

1 (7) CONTINUATION OF SUB. (6) PRIORITY. The priority of the security interest under
2 sub. (6) continues for a reasonable time if the debtor's right to remove the goods as
3 against the encumbrancer or owner terminates.

4 (8) PRIORITY OF CONSTRUCTION MORTGAGE. A mortgage is a construction
5 mortgage to the extent that it secures an obligation incurred for the construction of
6 an improvement on land, including the acquisition cost of the land, if a recorded
7 record of the mortgage so indicates. Except as otherwise provided in subs. (5) and
8 (6), a security interest in fixtures is subordinate to a construction mortgage if a record
9 of the mortgage is recorded before the goods become fixtures and the goods become
10 fixtures before the completion of the construction. A mortgage has this priority to
11 the same extent as a construction mortgage to the extent that it is given to refinance
12 a construction mortgage.

13 (9) PRIORITY OF SECURITY INTEREST IN CROPS. A perfected security interest in
14 crops growing on real property has priority over a conflicting interest of an
15 encumbrancer or owner of the real property if the debtor has an interest of record in
16 or is in possession of the real property.

17 **409.335 Accessions.** (1) CREATION OF SECURITY INTEREST IN ACCESSION. A
18 security interest may be created in an accession and continues in collateral that
19 becomes an accession.

20 (2) PERFECTION OF SECURITY INTEREST. If a security interest is perfected when
21 the collateral becomes an accession, the security interest remains perfected in the
22 collateral.

23 (3) PRIORITY OF SECURITY INTEREST. Except as otherwise provided in sub. (4), the
24 other provisions of this subchapter determine the priority of a security interest in an
25 accession.

1 (4) COMPLIANCE WITH CERTIFICATE-OF-TITLE STATUTE. A security interest in an
2 accession is subordinate to a security interest in the whole which is perfected by
3 compliance with the requirements of a certificate-of-title statute under s. 409.311
4 (2).

5 (5) REMOVAL OF ACCESSION AFTER DEFAULT. After default, subject to subch. VI, a
6 secured party may remove an accession from other goods if the security interest in
7 the accession has priority over the claims of every person having an interest in the
8 whole.

9 (6) REIMBURSEMENT FOLLOWING REMOVAL. A secured party that removes an
10 accession from other goods under sub. (5) shall promptly reimburse any holder of a
11 security interest or other lien on, or owner of, the whole or of the other goods, other
12 than the debtor, for the cost of repair of any physical injury to the whole or the other
13 goods. The secured party need not reimburse the holder or owner for any diminution
14 in value of the whole or the other goods caused by the absence of the accession
15 removed or by any necessity for replacing it. A person entitled to reimbursement
16 may refuse permission to remove until the secured party gives adequate assurance
17 for the performance of the obligation to reimburse.

18 **409.336 Commingled goods.** (1) COMMINGLED GOODS. In this section,
19 “commingled goods” means goods that are physically united with other goods in such
20 a manner that their identity is lost in a product or mass.

21 (2) NO SECURITY INTEREST IN COMMINGLED GOODS AS SUCH. A security interest does
22 not exist in commingled goods as such. However, a security interest may attach to
23 a product or mass that results when goods become commingled goods.

24 (3) ATTACHMENT OF SECURITY INTEREST TO PRODUCT OR MASS. If collateral becomes
25 commingled goods, a security interest attaches to the product or mass.

1 (4) PERFECTION OF SECURITY INTEREST. If a security interest in collateral is
2 perfected before the collateral becomes commingled goods, the security interest that
3 attaches to the product or mass under sub. (3) is perfected.

4 (5) PRIORITY OF SECURITY INTEREST. Except as otherwise provided in sub. (6), the
5 other provisions of this subchapter determine the priority of a security interest that
6 attaches to the product or mass under sub. (3).

7 (6) CONFLICTING SECURITY INTERESTS IN PRODUCT OR MASS. If more than one
8 security interest attaches to the product or mass under sub. (3), the following rules
9 determine priority:

10 (a) A security interest that is perfected under sub. (4) has priority over a
11 security interest that is unperfected at the time the collateral becomes commingled
12 goods.

13 (b) If more than one security interest is perfected under sub. (4), the security
14 interests rank equally in proportion to value of the collateral at the time it became
15 commingled goods.

16 **409.337 Priority of security interests in goods covered by certificate of**
17 **title.** If, while a security interest in goods is perfected by any method under the law
18 of another jurisdiction, this state issues a certificate of title that does not show that
19 the goods are subject to the security interest or contain a statement that they may
20 be subject to security interests not shown on the certificate:

21 (1) A buyer of the goods, other than a person in the business of selling goods of
22 that kind, takes free of the security interest if the buyer gives value and receives
23 delivery of the goods after issuance of the certificate and without knowledge of the
24 security interest; and

1 (2) The security interest is subordinate to a conflicting security interest in the
2 goods that attaches, and is perfected under s. 409.311 (2), after issuance of the
3 certificate and without the conflicting secured party's knowledge of the security
4 interest.

5 **409.338 Priority of security interest or agricultural lien perfected by**
6 **filed financing statement providing certain incorrect information.** If a
7 security interest or agricultural lien is perfected by a filed financing statement
8 providing information described in s. 409.516 (2) (e) which is incorrect at the time the
9 financing statement is filed:

10 (1) The security interest or agricultural lien is subordinate to a conflicting
11 perfected security interest in the collateral to the extent that the holder of the
12 conflicting security interest gives value in reasonable reliance upon the incorrect
13 information; and

14 (2) A purchaser, other than a secured party, of the collateral takes free of the
15 security interest or agricultural lien to the extent that, in reasonable reliance upon
16 the incorrect information, the purchaser gives value and, in the case of chattel paper,
17 documents, goods, instruments or a security certificate, receives delivery of the
18 collateral.

19 **409.339 Priority subject to subordination.** This chapter does not preclude
20 subordination by agreement by a person entitled to priority.

21 **409.340 Effectiveness of right of recoupment or set-off against deposit**
22 **account.** (1) EXERCISE OF RECOUPMENT OR SET-OFF. Except as otherwise provided in
23 sub. (3), a bank with which a deposit account is maintained may exercise any right
24 of recoupment or set-off against a secured party that holds a security interest in the
25 deposit account.

1 **409.401 Alienability of debtor's rights.** (1) OTHER LAW GOVERNS
2 ALIENABILITY; EXCEPTIONS. Except as otherwise provided in sub. (2) and ss. 409.406,
3 409.407, 409.408 and 409.409, whether a debtor's rights in collateral may be
4 voluntarily or involuntarily transferred is governed by law other than this chapter.

5 (2) AGREEMENT DOES NOT PREVENT TRANSFER. An agreement between the debtor
6 and secured party which prohibits a transfer of the debtor's rights in collateral or
7 makes the transfer a default does not prevent the transfer from taking effect.

8 **409.402 Secured party not obligated on contract of debtor or in tort.**
9 The existence of a security interest, agricultural lien or authority given to a debtor
10 to dispose of or use collateral, without more, does not subject a secured party to
11 liability in contract or tort for the debtor's acts or omissions.

12 **409.403 Agreement not to assert defenses against assignee.** (1) VALUE.
13 In this section, "value" has the meaning provided in s. 403.303 (1).

14 (2) AGREEMENT NOT TO ASSERT CLAIM OR DEFENSE. Except as otherwise provided
15 in this section, an agreement between an account debtor and an assignor not to assert
16 against an assignee any claim or defense that the account debtor may have against
17 the assignor is enforceable by an assignee that takes an assignment:

18 (a) For value;

19 (b) In good faith;

20 (c) Without notice of a claim of a property or possessory right to the property
21 assigned; and

22 (d) Without notice of a defense or claim in recoupment of the type that may be
23 asserted against a person entitled to enforce a negotiable instrument under s.
24 403.305 (1).

1 **(3) WHEN SUB. (2) NOT APPLICABLE.** Subsection (2) does not apply to defenses of
2 a type that may be asserted against a holder in due course of a negotiable instrument
3 under s. 403.305 (2).

4 **(4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION.** In a consumer
5 transaction, if a record evidences the account debtor's obligation, law other than this
6 chapter requires that the record include a statement to the effect that the rights of
7 an assignee are subject to claims or defenses that the account debtor could assert
8 against the original obligee and the record does not include such a statement:

9 (a) The record has the same effect as if the record included such a statement;
10 and

11 (b) The account debtor may assert against an assignee those claims and
12 defenses that would have been available if the record included such a statement.

13 **(5) RULE FOR INDIVIDUAL UNDER OTHER LAW.** This section is subject to law other
14 than this chapter which establishes a different rule for an account debtor who is an
15 individual and who incurred the obligation primarily for personal, family or
16 household purposes.

17 **(6) OTHER LAW NOT DISPLACED.** Except as otherwise provided in sub. (4), this
18 section does not displace law other than this chapter which gives effect to an
19 agreement by an account debtor not to assert a claim or defense against an assignee.

20 **409.404 Rights acquired by assignee; claims and defenses against**
21 **assignee. (1) ASSIGNEE'S RIGHTS SUBJECT TO TERMS, CLAIMS AND DEFENSES; EXCEPTIONS.**
22 Unless an account debtor has made an enforceable agreement not to assert defenses
23 or claims, and subject to subs. (2) to (5), the rights of an assignee are subject to:

1 (a) All terms of the agreement between the account debtor and assignor and any
2 defense or claim in recoupment arising from the transaction that gave rise to the
3 contract; and

4 (b) Any other defense or claim of the account debtor against the assignor which
5 accrues before the account debtor receives a notification of the assignment
6 authenticated by the assignor or the assignee.

7 **(2) ACCOUNT DEBTOR'S CLAIM REDUCES AMOUNT OWED TO ASSIGNEE.** Subject to sub.
8 (3) and except as otherwise provided in sub. (4), the claim of an account debtor
9 against an assignor may be asserted against an assignee under sub. (1) only to reduce
10 the amount the account debtor owes.

11 **(3) RULE FOR INDIVIDUAL UNDER OTHER LAW.** This section is subject to law other
12 than this chapter which establishes a different rule for an account debtor who is an
13 individual and who incurred the obligation primarily for personal, family or
14 household purposes.

15 **(4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION.** In a consumer
16 transaction, if a record evidences the account debtor's obligation, law other than this
17 chapter requires that the record include a statement to the effect that the account
18 debtor's recovery against an assignee with respect to claims and defenses against the
19 assignor may not exceed amounts paid by the account debtor under the record and
20 the record does not include such a statement, the extent to which a claim of an
21 account debtor against the assignor may be asserted against an assignee is
22 determined as if the record included such a statement.

23 **(5) INAPPLICABILITY TO HEALTH-CARE-INSURANCE RECEIVABLE.** This section does
24 not apply to an assignment of a health-care-insurance receivable.

1 **409.405 Modification of assigned contract. (1) EFFECT OF MODIFICATION ON**
2 ASSIGNEE. A modification of or substitution for an assigned contract is effective
3 against an assignee if made in good faith. The assignee acquires corresponding
4 rights under the modified or substituted contract. The assignment may provide that
5 the modification or substitution is a breach of contract by the assignor. This
6 subsection is subject to subs. (2) to (4).

7 **(2) APPLICABILITY OF SUB. (1).** Subsection (1) applies to the extent that:

8 (a) The right to payment or a part thereof under an assigned contract has not
9 been fully earned by performance; or

10 (b) The right to payment or a part thereof has been fully earned by performance
11 and the account debtor has not received notification of the assignment under s.
12 409.406 (1).

13 **(3) RULE FOR INDIVIDUAL UNDER OTHER LAW.** This section is subject to law other
14 than this chapter which establishes a different rule for an account debtor who is an
15 individual and who incurred the obligation primarily for personal, family or
16 household purposes.

17 **(4) INAPPLICABILITY TO HEALTH-CARE-INSURANCE RECEIVABLE.** This section does
18 not apply to an assignment of a health-care-insurance receivable.

19 **409.406 Discharge of account debtor; notification of assignment;**
20 **identification and proof of assignment; restrictions on assignment of**
21 **accounts, chattel paper, payment intangibles and promissory notes**
22 **ineffective. (1) DISCHARGE OF ACCOUNT DEBTOR; EFFECT OF NOTIFICATION.** Subject to
23 subs. (2) to (9), an account debtor on an account, chattel paper or a payment
24 intangible may discharge its obligation by paying the assignor until, but not after,
25 the account debtor receives a notification, authenticated by the assignor or the

1 assignee, that the amount due or to become due has been assigned and that payment
2 is to be made to the assignee. After receipt of the notification, the account debtor may
3 discharge its obligation by paying the assignee and may not discharge the obligation
4 by paying the assignor.

5 **(2) WHEN NOTIFICATION INEFFECTIVE.** Subject to sub. (8), notification is
6 ineffective under sub. (1):

7 (a) If it does not reasonably identify the rights assigned;

8 (b) To the extent that an agreement between an account debtor and a seller of
9 a payment intangible limits the account debtor's duty to pay a person other than the
10 seller and the limitation is effective under law other than this chapter; or

11 (c) At the option of an account debtor, if the notification notifies the account
12 debtor to make less than the full amount of any installment or other periodic
13 payment to the assignee, even if:

14 1. Only a portion of the account, chattel paper or general intangible has been
15 assigned to that assignee;

16 2. A portion has been assigned to another assignee; or

17 3. The account debtor knows that the assignment to that assignee is limited.

18 **(3) PROOF OF ASSIGNMENT.** Subject to sub. (8), if requested by the account debtor,
19 an assignee shall seasonably furnish reasonable proof that the assignment has been
20 made. Unless the assignee complies, the account debtor may discharge its obligation
21 by paying the assignor, even if the account debtor has received a notification under
22 sub. (1).

23 **(4) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as otherwise
24 provided in sub. (5) and ss. 409.407 and 411.303, and subject to sub. (8), a term in an

1 agreement between an account debtor and an assignor or in a promissory note is
2 ineffective to the extent that it:

3 (a) Prohibits, restricts or requires the consent of the account debtor or person
4 obligated on the promissory note to the assignment or transfer of, or the creation,
5 attachment, perfection or enforcement of a security interest in, the account, chattel
6 paper, payment intangible or promissory note; or

7 (b) Provides that the assignment or transfer or the creation, attachment,
8 perfection or enforcement of the security interest may give rise to a default, breach,
9 right of recoupment, claim, defense, termination, right of termination or remedy
10 under the account, chattel paper, payment intangible or promissory note.

11 (5) INAPPLICABILITY OF SUB. (4) TO CERTAIN SALES. Subsection (4) does not apply
12 to the sale of a payment intangible or promissory note.

13 (6) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE. Except as
14 otherwise provided in ss. 409.407, 411.303 and 565.30 and subject to subs. (8) and
15 (9), a rule of law, statute or rule that prohibits, restricts or requires the consent of a
16 government, governmental body or official or account debtor to the assignment or
17 transfer of, or creation of a security interest in, an account or chattel paper is
18 ineffective to the extent that the rule of law, statute or rule:

***NOTE: The reference to s.565.30 is added.

19 (a) Prohibits, restricts or requires the consent of the government, governmental
20 body or official or account debtor to the assignment or transfer of, or the creation,
21 attachment, perfection or enforcement of a security interest in, the account or chattel
22 paper; or

23 (b) Provides that the assignment or transfer or the creation, attachment,
24 perfection or enforcement of the security interest may give rise to a default, breach,

1 right of recoupment, claim, defense, termination, right of termination or remedy
2 under the account or chattel paper.

3 (7) SUB.(2)(C) NOT WAIVABLE. Subject to sub. (8), an account debtor may not waive
4 or vary its option under sub. (2) (c).

5 (8) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
6 than this chapter which establishes a different rule for an account debtor who is an
7 individual and who incurred the obligation primarily for personal, family or
8 household purposes.

9 (9) INAPPLICABILITY TO HEALTH-CARE-INSURANCE RECEIVABLE. This section does
10 not apply to an assignment of a health-care-insurance receivable.

NCCUSL Legislative Note: States that amend statutes and rules to remove provisions inconsistent with this section need not enact sub. (10).

***NOTE: Subsection (10) is deleted. Because I was told that Wisconsin has only s. 565.30 as an inconsistent provision, that is the only existing exception cross-referenced in this section.

The article 9 enactment guide states: "The legislature may, for policy reasons, wish to exclude a particular type of assignment from the effect of Section 9-406. One type of assignment that the legislature may wish to exclude from the operation of subsections (a) and (f) of Section 9-406 is a state assignment of claims statute that provides that a governmental account debtor is not bound by a notice of assignment of a claim against the governmental account debtor to which the governmental account debtor did not consent. If the jurisdiction has such a statute and wishes to exclude it from subsections (a) and (f), care should be taken to exclude the statute from subsection (f) only to the extent of enforcement of the security interest by collection against the governmental account debtor. A secured party's security interest in a claim against a governmental account debtor should still remain capable of being created, attaching and becoming perfected, and being enforced against the debtor by sale or other disposition, because such actions do not in themselves impose any obligation upon the governmental account debtor to pay anyone on the claim other than the debtor.

Another type of assignment that might be excluded could relate to a statutory prohibition on a narrowly defined assignment where the obvious policy underlying the statutory prohibition on assignment is to protect the assignor rather than the account debtor. A typical example might be a statutory prohibition on the assignment of lottery winnings (an account under Revised Article 9) without a court order. In that case, the legislative policy may manifestly be one of protecting the assignor from inadvertently assigning his or her winnings for an unreasonably low discounted amount rather than protecting the lottery commission from paying the wrong person. In such a case, the legislature may decide to make the policy choice to exclude this particular type of assignment, already subject to a statutory prohibition on assignment, from the operation of Section 9-406(f).

1 **409.407 Restrictions on creation or enforcement of security interest in**
2 **leasehold interest or in lessor’s residual interest.** (1) TERM RESTRICTING
3 ASSIGNMENT GENERALLY INEFFECTIVE. Except as otherwise provided in sub. (2), a term
4 in a lease agreement is ineffective to the extent that it:

5 (a) Prohibits, restricts or requires the consent of a party to the lease to the
6 assignment or transfer of, or the creation, attachment, perfection or enforcement of
7 a security interest in, an interest of a party under the lease contract or in the lessor’s
8 residual interest in the goods; or

9 (b) Provides that the assignment or transfer or the creation, attachment,
10 perfection or enforcement of the security interest may give rise to a default, breach,
11 right of recoupment, claim, defense, termination, right of termination or remedy
12 under the lease.

13 (2) EFFECTIVENESS OF CERTAIN TERMS. Except as otherwise provided in s. 411.303
14 (7), a term described in sub. (1) (b) is effective to the extent that there is:

15 (a) A transfer by the lessee of the lessee’s right of possession or use of the goods
16 in violation of the term; or

17 (b) A delegation of a material performance of either party to the lease contract
18 in violation of the term.

19 (3) SECURITY INTEREST NOT MATERIAL IMPAIRMENT. The creation, attachment,
20 perfection or enforcement of a security interest in the lessor’s interest under the lease
21 contract or the lessor’s residual interest in the goods is not a transfer that materially
22 impairs the lessee’s prospect of obtaining return performance or materially changes
23 the duty of or materially increases the burden or risk imposed on the lessee within
24 the purview of s. 411.303 (4) unless, and then only to the extent that, enforcement
25 actually results in a delegation of material performance of the lessor.

1 **409.408 Restrictions on assignment of promissory notes,**
2 **health-care-insurance receivables and certain general intangibles**
3 **ineffective. (1) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as
4 otherwise provided in sub. (2), a term in a promissory note or in an agreement
5 between an account debtor and a debtor which relates to a health-care-insurance
6 receivable or a general intangible, including a contract, permit, license or franchise,
7 and which term prohibits, restricts or requires the consent of the person obligated
8 on the promissory note or the account debtor to, the assignment or transfer of, or
9 creation, attachment or perfection of a security interest in, the promissory note,
10 health-care-insurance receivable or general intangible, is ineffective to the extent
11 that the term:

12 (a) Would impair the creation, attachment or perfection of a security interest;

13 or

14 (b) Provides that the assignment or transfer or the creation, attachment or
15 perfection of the security interest may give rise to a default, breach, right of
16 recoupment, claim, defense, termination, right of termination or remedy under the
17 promissory note, health-care-insurance receivable or general intangible.

18 **(2) APPLICABILITY OF SUB. (1) TO SALES OF CERTAIN RIGHTS TO PAYMENT.** Subsection
19 (1) applies to a security interest in a payment intangible or promissory note only if
20 the security interest arises out of a sale of the payment intangible or promissory note.

21 **(3) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE.** A rule of law,
22 statute or rule that prohibits, restricts or requires the consent of a government,
23 governmental body or official, person obligated on a promissory note or account
24 debtor to the assignment or transfer of, or creation of a security interest in, a
25 promissory note, health-care-insurance receivable or general intangible, including

1 a contract, permit, license or franchise between an account debtor and a debtor, is
2 ineffective to the extent that the rule of law, statute or rule:

3 (a) Would impair the creation, attachment or perfection of a security interest;
4 or

5 (b) Provides that the assignment or transfer or the creation, attachment or
6 perfection of the security interest may give rise to a default, breach, right of
7 recoupment, claim, defense, termination, right of termination or remedy under the
8 promissory note, health-care-insurance receivable or general intangible.

9 (4) LIMITATION ON INEFFECTIVENESS UNDER SUBS. (1) AND (3). To the extent that a
10 term in a promissory note or in an agreement between an account debtor and a debtor
11 which relates to a health-care-insurance receivable or general intangible or a rule
12 of law, statute or rule described in sub. (3) would be effective under law other than
13 this chapter but is ineffective under sub. (1) or (3), the creation, attachment or
14 perfection of a security interest in the promissory note, health-care-insurance
15 receivable or general intangible:

16 (a) Is not enforceable against the person obligated on the promissory note or the
17 account debtor;

18 (b) Does not impose a duty or obligation on the person obligated on the
19 promissory note or the account debtor;

20 (c) Does not require the person obligated on the promissory note or the account
21 debtor to recognize the security interest, pay or render performance to the secured
22 party or accept payment or performance from the secured party;

23 (d) Does not entitle the secured party to use or assign the debtor's rights under
24 the promissory note, health-care-insurance receivable or general intangible,
25 including any related information or materials furnished to the debtor in the

1 transaction giving rise to the promissory note, health-care-insurance receivable or
2 general intangible;

3 (e) Does not entitle the secured party to use, assign, possess or have access to
4 any trade secrets or confidential information of the person obligated on the
5 promissory note or the account debtor; and

6 (f) Does not entitle the secured party to enforce the security interest in the
7 promissory note, health-care-insurance receivable or general intangible.

NCCUSL Legislative Note: States that amend statutes and rules to remove provisions inconsistent with this section need not enact sub. (5).

***NOTE: Subsection (5) is deleted. Because I was told that Wisconsin has no inconsistent assignment of claims statutes, no statutes are amended.

8 **409.409 Restrictions on assignment of letter-of-credit rights**
9 **ineffective.** (1) TERM OR LAW RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE. A
10 term in a letter of credit or a rule of law, statute, rule, custom or practice applicable
11 to the letter of credit which prohibits, restricts or requires the consent of an
12 applicant, issuer or nominated person to a beneficiary's assignment of or creation of
13 a security interest in a letter-of-credit right is ineffective to the extent that the term
14 or rule of law, statute, rule, custom or practice:

15 (a) Would impair the creation, attachment or perfection of a security interest
16 in the letter-of-credit right; or

17 (b) Provides that the assignment or the creation, attachment or perfection of the
18 security interest may give rise to a default, breach, right of recoupment, claim,
19 defense, termination, right of termination or remedy under the letter-of-credit
20 right.

21 (2) LIMITATION ON INEFFECTIVENESS UNDER SUB. (1). To the extent that a term in
22 a letter of credit is ineffective under sub. (1) but would be effective under law other

1 than this chapter or a custom or practice applicable to the letter of credit, to the
2 transfer of a right to draw or otherwise demand performance under the letter of
3 credit, or to the assignment of a right to proceeds of the letter of credit, the creation,
4 attachment or perfection of a security interest in the letter-of-credit right:

5 (a) Is not enforceable against the applicant, issuer, nominated person or
6 transferee beneficiary;

7 (b) Imposes no duties or obligations on the applicant, issuer, nominated person
8 or transferee beneficiary; and

9 (c) Does not require the applicant, issuer, nominated person or transferee
10 beneficiary to recognize the security interest, pay or render performance to the
11 secured party or accept payment or other performance from the secured party.

12 SUBCHAPTER V

13 FILING

14 **409.501 Filing office.** (1) FILING OFFICES. Except as otherwise provided in
15 sub. (2), if the local law of this state governs perfection of a security interest or
16 agricultural lien, the office in which to file a financing statement to perfect the
17 security interest or agricultural lien is:

18 (a) The office designated for the filing or recording of a record of a mortgage on
19 the related real property, if:

20 1. The collateral is as-extracted collateral or timber to be cut; or

21 2. The financing statement is filed as a fixture filing and the collateral is goods
22 that are or are to become fixtures; or

23 (b) The office of the department of financial institutions, in all other cases,
24 including a case in which the collateral is goods that are or are to become fixtures and
25 the financing statement is not filed as a fixture filing.

1 **(2) FILING OFFICE FOR TRANSMITTING UTILITIES.** The office in which to file a
2 financing statement to perfect a security interest in collateral, including fixtures, of
3 a transmitting utility is the office of the department of financial institutions. The
4 financing statement also constitutes a fixture filing as to the collateral indicated in
5 the financing statement which is or is to become fixtures.

6 **409.502 Contents of financing statement; record of mortgage as**
7 **financing statement; time of filing financing statement. (1) SUFFICIENCY OF**
8 **FINANCING STATEMENT.** Subject to sub. (2), a financing statement is sufficient only if
9 it:

10 (a) Provides the name of the debtor;

11 (b) Provides the name of the secured party or a representative of the secured
12 party; and

13 (c) Indicates the collateral covered by the financing statement.

14 **(2) REAL-PROPERTY-RELATED FINANCING STATEMENTS.** Except as otherwise
15 provided in s. 409.501 (2), to be sufficient, a financing statement that covers
16 as-extracted collateral or timber to be cut, or which is filed as a fixture filing and
17 covers goods that are or are to become fixtures, must satisfy sub. (1) and also:

18 (a) Indicate that it covers this type of collateral;

19 (b) Indicate that it is to be filed for record in the real property records;

20 (c) Provide a description of the real property to which the collateral is related
21 sufficient to give constructive notice of a mortgage under the law of this state if the
22 description were contained in a record of the mortgage of the real property; and

23 (d) If the debtor does not have an interest of record in the real property, provide
24 the name of a record owner.

1 **(3) RECORD OF MORTGAGE AS FINANCING STATEMENT.** A record of a mortgage is
2 effective, from the date of recording, as a financing statement filed as a fixture filing
3 or as a financing statement covering as-extracted collateral or timber to be cut only
4 if:

5 (a) The record indicates the goods or accounts that it covers;

6 (b) The goods are or are to become fixtures related to the real property described
7 in the record or the collateral is related to the real property described in the record
8 and is as-extracted collateral or timber to be cut;

9 (c) The record satisfies the requirements for a financing statement in this
10 section other than an indication that it is to be filed in the real property records; and

11 (d) The record is duly recorded.

12 **(4) FILING BEFORE SECURITY AGREEMENT OR ATTACHMENT.** A financing statement
13 may be filed before a security agreement is made or a security interest otherwise
14 attaches.

15 **409.503 Name of debtor and secured party. (1) SUFFICIENCY OF DEBTOR'S**
16 **NAME.** A financing statement sufficiently provides the name of the debtor:

17 (a) If the debtor is a registered organization, only if the financing statement
18 provides the name of the debtor indicated on the public record of the debtor's
19 jurisdiction of organization which shows the debtor to have been organized;

20 (b) If the debtor is a decedent's estate, only if the financing statement provides
21 the name of the decedent and indicates that the debtor is an estate;

22 (c) If the debtor is a trust or a trustee acting with respect to property held in
23 trust, only if the financing statement:

24 1. Provides the name specified for the trust in its organic documents or, if no
25 name is specified, provides the name of the settlor and additional information

1 sufficient to distinguish the debtor from other trusts having one or more of the same
2 settlors; and

3 2. Indicates, in the debtor’s name or otherwise, that the debtor is a trust or is
4 a trustee acting with respect to property held in trust; and

5 (d) In other cases:

6 1. If the debtor has a name, only if it provides the individual or organizational
7 name of the debtor; and

8 2. If the debtor does not have a name, only if it provides the names of the
9 partners, members, associates or other persons comprising the debtor.

10 (2) ADDITIONAL DEBTOR-RELATED INFORMATION. A financing statement that
11 provides the name of the debtor in accordance with sub. (1) is not rendered ineffective
12 by the absence of:

13 (a) A trade name or other name of the debtor; or

14 (b) Unless required under sub. (1) (d) 2., names of partners, members,
15 associates or other persons comprising the debtor.

16 (3) DEBTOR’S TRADE NAME INSUFFICIENT. A financing statement that provides
17 only the debtor’s trade name does not sufficiently provide the name of the debtor.

18 (4) REPRESENTATIVE CAPACITY. Failure to indicate the representative capacity
19 of a secured party or representative of a secured party does not affect the sufficiency
20 of a financing statement.

21 (5) MULTIPLE DEBTORS AND SECURED PARTIES. A financing statement may provide
22 the name of more than one debtor and the name of more than one secured party.

23 **409.504 Indication of collateral.** A financing statement sufficiently
24 indicates the collateral that it covers if the financing statement provides:

25 (1) A description of the collateral pursuant to s. 409.108; or

1 (2) An indication that the financing statement covers all assets or all personal
2 property.

3 **409.505 Filing and compliance with other statutes and treaties for**
4 **consignments, leases, other bailments and other transactions.** (1) USE OF
5 TERMS OTHER THAN DEBTOR AND SECURED PARTY. A consignor, lessor or other bailor of
6 goods, a licensor or a buyer of a payment intangible or promissory note may file a
7 financing statement, or may comply with a statute or treaty described in s. 409.311
8 (1), using the terms “consignor”, “consignee”, “lessor”, “lessee”, “bailor”, “bailee”,
9 “licensor”, “licensee”, “owner”, “registered owner”, “buyer”, “seller”, or words of
10 similar import, instead of the terms “secured party” and “debtor”.

11 (2) EFFECT OF FINANCING STATEMENT UNDER SUB. (1). This subchapter applies to
12 the filing of a financing statement under sub. (1) and, as appropriate, to compliance
13 that is equivalent to filing a financing statement under s. 409.311 (2), but the filing
14 or compliance is not of itself a factor in determining whether the collateral secures
15 an obligation. If it is determined for another reason that the collateral secures an
16 obligation, a security interest held by the consignor, lessor, bailor, licensor, owner or
17 buyer which attaches to the collateral is perfected by the filing or compliance

18 **409.506 Effect of errors or omissions.** (1) MINOR ERRORS AND OMISSIONS. A
19 financing statement substantially satisfying the requirements of this subchapter is
20 effective, even if it has minor errors or omissions, unless the errors or omissions make
21 the financing statement seriously misleading.

22 (2) FINANCING STATEMENT SERIOUSLY MISLEADING. Except as otherwise provided
23 in sub. (3), a financing statement that fails sufficiently to provide the name of the
24 debtor in accordance with s. 409.503 (1) is seriously misleading.

1 (3) FINANCING STATEMENT NOT SERIOUSLY MISLEADING. If a search of the records
2 of the filing office under the debtor's correct name, using the filing office's standard
3 search logic, if any, would disclose a financing statement that fails sufficiently to
4 provide the name of the debtor in accordance with s. 409.503 (1), the name provided
5 does not make the financing statement seriously misleading.

6 (4) DEBTOR'S CORRECT NAME. For purposes of s. 409.508 (2), the "debtor's correct
7 name" in sub. (3) means the correct name of the new debtor.

8 **409.507 Effect of certain events on effectiveness of financing**
9 **statement. (1) DISPOSITION.** A filed financing statement remains effective with
10 respect to collateral that is sold, exchanged, leased, licensed or otherwise disposed
11 of and in which a security interest or agricultural lien continues, even if the secured
12 party knows of or consents to the disposition.

13 (2) INFORMATION BECOMING SERIOUSLY MISLEADING. Except as otherwise provided
14 in sub. (3) and s. 409.508, a financing statement is not rendered ineffective if, after
15 the financing statement is filed, the information provided in the financing statement
16 becomes seriously misleading under s. 409.506.

17 (3) CHANGE IN DEBTOR'S NAME. If a debtor so changes its name that a filed
18 financing statement becomes seriously misleading under s. 409.506:

19 (a) The financing statement is effective to perfect a security interest in
20 collateral acquired by the debtor before, or within 4 months after, the change; and

21 (b) The financing statement is not effective to perfect a security interest in
22 collateral acquired by the debtor more than 4 months after the change, unless an
23 amendment to the financing statement which renders the financing statement not
24 seriously misleading is filed within 4 months after the change.

1 **409.508 Effectiveness of financing statement if new debtor becomes**
2 **bound by security agreement. (1) FINANCING STATEMENT NAMING ORIGINAL DEBTOR.**

3 Except as otherwise provided in this section, a filed financing statement naming an
4 original debtor is effective to perfect a security interest in collateral in which a new
5 debtor has or acquires rights to the extent that the financing statement would have
6 been effective had the original debtor acquired rights in the collateral.

7 **(2) FINANCING STATEMENT BECOMING SERIOUSLY MISLEADING.** If the difference
8 between the name of the original debtor and that of the new debtor causes a filed
9 financing statement that is effective under sub. (1) to be seriously misleading under
10 s. 409.506:

11 (a) The financing statement is effective to perfect a security interest in
12 collateral acquired by the new debtor before, and within 4 months after, the new
13 debtor becomes bound under s. 409.203 (4); and

14 (b) The financing statement is not effective to perfect a security interest in
15 collateral acquired by the new debtor more than 4 months after the new debtor
16 becomes bound under s. 409.203 (4) unless an initial financing statement providing
17 the name of the new debtor is filed before the expiration of that time.

18 **(3) WHEN SECTION NOT APPLICABLE.** This section does not apply to collateral as
19 to which a filed financing statement remains effective against the new debtor under
20 s. 409.507 (1).

21 **409.509 Persons entitled to file a record. (1) PERSON ENTITLED TO FILE**
22 **RECORD.** A person may file an initial financing statement, amendment that adds
23 collateral covered by a financing statement or amendment that adds a debtor to a
24 financing statement only if:

25 (a) The debtor authorizes the filing in an authenticated record; or

1 (b) The person holds an agricultural lien that has become effective at the time
2 of filing and the financing statement covers only collateral in which the person holds
3 an agricultural lien.

4 **(2) SECURITY AGREEMENT AS AUTHORIZATION.** By authenticating or becoming
5 bound as debtor by a security agreement, a debtor or new debtor authorizes the filing
6 of an initial financing statement, and an amendment, covering:

7 (a) The collateral described in the security agreement; and

8 (b) Property that becomes collateral under s. 409.315 (1) (b), whether or not the
9 security agreement expressly covers proceeds.

10 **(3) ACQUISITION OF COLLATERAL AS AUTHORIZATION.** By acquiring collateral in
11 which a security interest or agricultural lien continues under s. 409.315 (1) (a), a
12 debtor authorizes the filing of an initial financing statement, and an amendment,
13 covering the collateral and property that becomes collateral under s. 409.315 (1) (b).

14 **(4) PERSON ENTITLED TO FILE CERTAIN AMENDMENTS.** A person may file an
15 amendment other than an amendment that adds collateral covered by a financing
16 statement or an amendment that adds a debtor to a financing statement only if:

17 (a) The secured party of record authorizes the filing; or

18 (b) The amendment is a termination statement for a financing statement as to
19 which the secured party of record has failed to file or send a termination statement
20 as required by s. 409.513 (1) or (3), the debtor authorizes the filing, and the
21 termination statement indicates that the debtor authorized it to be filed.

22 **(5) MULTIPLE SECURED PARTIES OF RECORD.** If there is more than one secured
23 party of record for a financing statement, each secured party of record may authorize
24 the filing of an amendment under sub. (4).

1 **409.510 Effectiveness of filed record.** (1) FILED RECORD EFFECTIVE IF
2 AUTHORIZED. A filed record is effective only to the extent that it was filed by a person
3 that may file it under s. 409.509.

4 (2) AUTHORIZATION BY ONE SECURED PARTY OF RECORD. A record authorized by one
5 secured party of record does not affect the financing statement with respect to
6 another secured party of record.

7 (3) CONTINUATION STATEMENT NOT TIMELY FILED. A continuation statement that
8 is not filed within the 6-month period prescribed by s. 409.515 (4) is ineffective.

9 **409.511 Secured party of record.** (1) SECURED PARTY OF RECORD. A secured
10 party of record with respect to a financing statement is a person whose name is
11 provided as the name of the secured party or a representative of the secured party
12 in an initial financing statement that has been filed. If an initial financing statement
13 is filed under s. 409.514 (1), the assignee named in the initial financing statement
14 is the secured party of record with respect to the financing statement.

15 (2) AMENDMENT NAMING SECURED PARTY OF RECORD. If an amendment of a
16 financing statement which provides the name of a person as a secured party or a
17 representative of a secured party is filed, the person named in the amendment is a
18 secured party of record. If an amendment is filed under s. 409.514 (2), the assignee
19 named in the amendment is a secured party of record.

20 (3) AMENDMENT DELETING SECURED PARTY OF RECORD. A person remains a secured
21 party of record until the filing of an amendment of the financing statement which
22 deletes the person.

23 **409.512 Amendment of financing statement.** (1) AMENDMENT OF
24 INFORMATION IN FINANCING STATEMENT. Subject to s. 409.509, a person may add or
25 delete collateral covered by, continue or terminate the effectiveness of, or, subject to

1 sub. (5), otherwise amend the information provided in, a financing statement by
2 filing an amendment that:

3 (a) Identifies, by its file number, the initial financing statement to which the
4 amendment relates; and

5 (b) If the amendment relates to an initial financing statement filed [or
6 recorded] in a filing office described in s. 409.501 (1) (a), provides the date [and time]
7 that the initial financing statement was filed [or recorded] and the information
8 specified in s. 409.502 (2).

****NOTE: Alternative B is included in this draft. Alternative A does not have in
paragraph (b) “the date [and time] that the initial financing statement was
filed [or recorded] and”.

9 (2) PERIOD OF EFFECTIVENESS NOT AFFECTED. Except as otherwise provided in s.
10 409.515, the filing of an amendment does not extend the period of effectiveness of the
11 financing statement.

12 (3) EFFECTIVENESS OF AMENDMENT ADDING COLLATERAL. A financing statement
13 that is amended by an amendment that adds collateral is effective as to the added
14 collateral only from the date of the filing of the amendment.

15 (4) EFFECTIVENESS OF AMENDMENT ADDING DEBTOR. A financing statement that
16 is amended by an amendment that adds a debtor is effective as to the added debtor
17 only from the date of the filing of the amendment.

18 (5) CERTAIN AMENDMENTS INEFFECTIVE. An amendment is ineffective to the
19 extent it:

20 (a) Purports to delete all debtors and fails to provide the name of a debtor to be
21 covered by the financing statement; or

1 (b) Purports to delete all secured parties of record and fails to provide the name
2 of a new secured party of record.

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

***NOTE: We need the help of the department of financial institutions regarding which alternative to choose.

3 **409.513 Termination statement. (1) CONSUMER GOODS.** A secured party shall
4 cause the secured party of record for a financing statement to file a termination
5 statement for the financing statement if the financing statement covers consumer
6 goods and:

7 (a) There is no obligation secured by the collateral covered by the financing
8 statement and no commitment to make an advance, incur an obligation or otherwise
9 give value; or

10 (b) The debtor did not authorize the filing of the initial financing statement.

11 **(2) TIME FOR COMPLIANCE WITH SUB. (1).** To comply with sub. (1), a secured party
12 shall cause the secured party of record to file the termination statement:

13 (a) Within one month after there is no obligation secured by the collateral
14 covered by the financing statement and no commitment to make an advance, incur
15 an obligation or otherwise give value; or

16 (b) If earlier, within 20 days after the secured party receives an authenticated
17 demand from a debtor.

18 **(3) OTHER COLLATERAL.** In cases not governed by sub. (1), within 20 days after
19 a secured party receives an authenticated demand from a debtor, the secured party
20 shall cause the secured party of record for a financing statement to send to the debtor

1 a termination statement for the financing statement or file the termination
2 statement in the filing office if:

3 (a) Except in the case of a financing statement covering accounts or chattel
4 paper that has been sold or goods that are the subject of a consignment, there is no
5 obligation secured by the collateral covered by the financing statement and no
6 commitment to make an advance, incur an obligation or otherwise give value;

7 (b) The financing statement covers accounts or chattel paper that has been sold
8 but as to which the account debtor or other person obligated has discharged its
9 obligation;

10 (c) The financing statement covers goods that were the subject of a consignment
11 to the debtor but are not in the debtor's possession; or

12 (d) The debtor did not authorize the filing of the initial financing statement.

13 (4) EFFECT OF FILING TERMINATION STATEMENT. Except as otherwise provided in
14 s. 409.510, upon the filing of a termination statement with the filing office, the
15 financing statement to which the termination statement relates ceases to be
16 effective.

****NOTE: Current s. 409.404, Wis. stats., is a nonuniform section throughout it. The conversion table lists that section as the source for new 9 513. Should any of the nonuniform changes be included in this draft?

The section reads: "409.404 Termination statement.

409.404 (1) (a) Requirement for filing termination statement with the office of the register of deeds. If a financing statement covering consumer goods is filed on or after July 1, 1974, then within one month or within 10 days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. A termination 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 complying with s. 409.405 (2), including payment of the required fee.

409.404 (1) (b)

(b) Requirement for filing termination statement with the department of financial institutions. Except as provided in par. (c), if a financing statement is filed with the department, then within one month or within 10 days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with the department a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. A termination 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 complying with s. 409.405 (2), including payment of the required fee.

409.404 (1) (c)

(c) (intro.) Exceptions to requirement for filing termination statement with the department of financial institutions. No termination statement needs to be filed with the department pursuant to par. (b) if:

409.404 (1) (c)1.

1. The effectiveness of the financing statement or continuation statement has lapsed prior to the time when a termination statement is required to be filed under par. (b).

409.404 (1) (c)2.

2. The financing statement states that a continuing business relationship exists between the debtor and the secured party.

409.404 (1) (c)3.

3. The financing statement was filed prior to January 1, 1978.

409.404 (1) (d)

(d) Failure to file a termination statement. If the affected secured party fails to file a termination statement as required by this subsection, or to send such a termination statement within 10 days after receipt of the debtor's written demand the secured party is liable to the debtor for \$500, and in addition is liable for any loss caused to the debtor by such failure and for reasonable attorney fees and court costs incurred by the debtor due to such failure.

409.404 (2)

(2) On presentation to the filing officer of a termination statement the officer must note it in the index. If the officer has received the termination statement in duplicate, the officer shall return one copy of the termination statement to the secured party stamped to show the time of receipt. If the filing officer has a microfilm, other photographic record or optical disk or electronic copy of the financing statement, and of any related continuation statement, statement of assignment and statement of release, the officer may remove the originals from the files at any time after receipt of the termination statement, or if the officer has no such record, the officer may remove them from the files at any time after one year after receipt of the termination statement.

409.404 (3)

(3)

409.404 (3) (a)

(a) Fees for filing a termination statement with the office of the register of deeds. There is no fee for a termination statement that is filed with the office of the register of deeds and there is no fee for indexing any name in connection with the termination process.

409.404 (3) (b)

(b) Fees for filing a termination statement with the department of financial institutions. There is no fee for a termination statement which is filed with the department and there is no fee for indexing any name in connection with the termination process.

409.404 – ANNOT.

History: 1971 c. 125 s. 524; 1973 c. 215; 1977 c. 29, 247; 1985 a. 29; 1989 a. 123; 1991 a. 39, 269; 1995 a. 27; 1997 a. 27.”.

1 **409.514 Assignment of powers of secured party of record. (1)**

2 ASSIGNMENT REFLECTED ON INITIAL FINANCING STATEMENT. Except as otherwise
3 provided in sub. (3), an initial financing statement may reflect an assignment of all
4 of the secured party’s power to authorize an amendment to the financing statement
5 by providing the name and mailing address of the assignee as the name and address
6 of the secured party.

7 **(2) ASSIGNMENT OF FILED FINANCING STATEMENT.** Except as otherwise provided
8 in sub. (3), a secured party of record may assign of record all or part of its power to
9 authorize an amendment to a financing statement by filing in the filing office an
10 amendment of the financing statement which:

11 (a) Identifies, by its file number, the initial financing statement to which it
12 relates;

13 (b) Provides the name of the assignor; and

14 (c) Provides the name and mailing address of the assignee.

15 **(3) ASSIGNMENT OF RECORD OF MORTGAGE.** An assignment of record of a security
16 interest in a fixture covered by a record of a mortgage which is effective as a financing
17 statement filed as a fixture filing under s. 409.502 (3) may be made only by an
18 assignment of record of the mortgage in the manner provided by law of this state
19 other than chs. 401 to 411.

***NOTE: Current s. 409.405 (1), Wis. stats., has nonuniform changes to it and current s. 409.405 (1m), Wis. stats. is nonuniform in that it is entirely an addition. They read: “409.405 (1)

(1) An original financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in s. 409.403 (4). The fee for filing, indexing and stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement so indicating an assignment 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 indicating an assignment and 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. A register of deeds shall forward \$3 to the department for each original financing statement indicating an assignment of a security interest that is filed with the office of the register of deeds.

409.405 (1m) There is no fee for processing the termination statement.”.

The conversion table lists 9-405 as a source for new 9- 514 and 9-519 and the reverse list lists 9-403 (4) and (7) and 9-405 (2) as sources for new 9-519. Should any of the nonuniform provisions be included in this draft? Does the first sentence need to be retained?

- 1 **409.515 Duration and effectiveness of financing statement; effect of**
2 **lapsed financing statement. (1) FIVE-YEAR EFFECTIVENESS.** Except as otherwise
3 provided in subs. (2), (5), (6) and (7), a filed financing statement is effective for a
4 period of 5 years after the date of filing.
5 **(2) PUBLIC-FINANCE OR MANUFACTURED-HOME TRANSACTION.** Except as otherwise
6 provided in subs. (5), (6) and (7), an initial financing statement filed in connection
7 with a public-finance transaction or manufactured-home transaction is effective for
8 a period of 30 years after the date of filing if it indicates that it is filed in connection
9 with a public-finance transaction or manufactured-home transaction.
10 **(3) LAPSE AND CONTINUATION OF FINANCING STATEMENT.** The effectiveness of a filed
11 financing statement lapses on the expiration of the period of its effectiveness unless
12 before the lapse a continuation statement is filed pursuant to sub. (4). Upon lapse,
13 a financing statement ceases to be effective and any security interest or agricultural

1 lien that was perfected by the financing statement becomes unperfected, unless the
2 security interest is perfected otherwise. If the security interest or agricultural lien
3 becomes unperfected upon lapse, it is deemed never to have been perfected as against
4 a purchaser of the collateral for value.

5 (4) WHEN CONTINUATION STATEMENT MAY BE FILED. A continuation statement may
6 be filed only within 6 months before the expiration of the 5-year period specified in
7 sub. (1) or the 30-year period specified in sub. (2), whichever is applicable.

8 (5) EFFECT OF FILING CONTINUATION STATEMENT. Except as otherwise provided in
9 s. 409.510, upon timely filing of a continuation statement, the effectiveness of the
10 initial financing statement continues for a period of 5 years commencing on the day
11 on which the financing statement would have become ineffective in the absence of
12 the filing. Upon the expiration of the 5-year period, the financing statement lapses
13 in the same manner as provided in sub. (3), unless, before the lapse, another
14 continuation statement is filed pursuant to sub. (4). Succeeding continuation
15 statements may be filed in the same manner to continue the effectiveness of the
16 initial financing statement.

17 (6) TRANSMITTING UTILITY FINANCING STATEMENT. If a debtor is a transmitting
18 utility and a filed financing statement so indicates, the financing statement is
19 effective until a termination statement is filed.

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

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

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

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

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

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

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

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

14 a. Does not identify the initial financing statement as required by s. 409.512 or
15 409.518, as applicable; or

16 b. Identifies an initial financing statement whose effectiveness has lapsed
17 under s. 409.515;

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

1 4. In the case of a record filed [or recorded] in the filing office described in s.
2 409.501 (1) (a), the record does not provide a sufficient description of the real
3 property to which it relates;

****NOTE: Should the bracketed material be included?

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

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

- 10 1. Provide a mailing address for the debtor;
- 11 2. Indicate whether the debtor is an individual or an organization; or
- 12 3. If the financing statement indicates that the debtor is an organization,
13 provide:
- 14 a. A type of organization for the debtor;
- 15 b. A jurisdiction of organization for the debtor; or
- 16 c. An organizational identification number for the debtor or indicate that the
17 debtor has none;

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

21 (g) In the case of a continuation statement, the record is not filed within the
22 6-month period prescribed by s. 409.515 (4).

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

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

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

6 **(4) REFUSAL TO ACCEPT RECORD; RECORD EFFECTIVE AS FILED RECORD.** A record that
7 is communicated to the filing office with tender of the filing fee, but which the filing
8 office refuses to accept for a reason other than one set forth in sub. (2), is effective as
9 a filed record except as against a purchaser of the collateral which gives value in
10 reasonable reliance upon the absence of the record from the files.

11 **409.517 Effect of indexing errors.** The failure of the filing office to index a
12 record correctly does not affect the effectiveness of the filed record.

13 **409.518 Claim concerning inaccurate or wrongfully filed record. (1)**
14 **CORRECTION STATEMENT.** A person may file in the filing office a correction statement
15 with respect to a record indexed there under the person's name if the person believes
16 that the record is inaccurate or was wrongfully filed.

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

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

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

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

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

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

***NOTE: Alternative B for sub. (2) is included in this draft. Should the bracketed material be included?

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

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

8 **409.519 Numbering, maintaining and indexing records;**
9 **communicating information provided in records. (1) FILING OFFICE DUTIES.**

10 For each record filed in a filing office, the filing office shall:

- 11 (a) Assign a unique number to the filed record;
- 12 (b) Create a record that bears the number assigned to the filed record and the
13 date and time of filing;
- 14 (c) Maintain the filed record for public inspection; and
- 15 (d) Index the filed record in accordance with subs. (3), (4) and (5).

16 (2) FILE NUMBER. A file number assigned after January 1, 2002, must include
17 a digit that:

- 18 (a) Is mathematically derived from or related to the other digits of the file
19 number; and
- 20 (b) Aids the filing office in determining whether a number communicated as the
21 file number includes a single-digit or transpositional error.

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

3 (a) Index an initial financing statement according to the name of the debtor and
4 index all filed records relating to the initial financing statement in a manner that
5 associates with one another an initial financing statement and all filed records
6 relating to the initial financing statement; and

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

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

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

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

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

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

2 (b) To the extent that the law of this state provides for indexing a record of the
3 assignment of a mortgage under the name of the assignee, under the name of the
4 assignee.

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

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

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

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

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

***NOTE: Alternative B for sub. (6) is included in this draft.

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

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

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

NCCUSL Legislative Notes:

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

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

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

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

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

***NOTE: Current s. 409.402 (1) (b), Wis. stats., has the following nonuniform provision. 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 conversion table gives 9-402 (1) as one of the sources for new 9-502, the others being 9-402 (5) and (6). Should this nonuniform provision be included in this draft?

***NOTE: The subsection is nonuniform. 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 this nonuniform provision 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: NCCUSL Legislative Note: A state that elects not to require real-property filing offices to comply with sub. (2) should include the bracketed language.

****NOTE: Should the the bracketed material be deleted?

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

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

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 USE ONLY

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

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
1d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

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

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

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

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

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		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME insert only one name (11a or 11b) do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
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. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

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:

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

16. Additional collateral description:

17. Check only if applicable and check only one box.
 Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured Home Transaction effective 30 years
 Filed in connection with a Public Finance Transaction effective 30 years

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):

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 AMENDMENT IS to be filed [for record] (Or recorded) IN THE REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness Of the Financing Statement identified above IS terminated with respect to security interest(s) Of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness Of the Financing Statement identified above with respect to security interest(s) Of the Secured Party authorizing this Continuation Statement 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, and also item 7c; 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	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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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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NONE

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 by a Debtor 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 this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA

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 OFFICE USE ONLY		

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

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

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

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

 ***NOTE: Should this draft include the bracketed material? Alternative B is
 included in this draft.

14 **(2) DESTRUCTION OF WRITTEN RECORDS.** Except to the extent that a statute
15 governing disposition of public records provides otherwise, the filing office
16 immediately may destroy any written record evidencing a financing statement.
17 However, if the filing office destroys a written record, it shall maintain another
18 record of the financing statement which complies with sub. (1).

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

19 **409.523 Information from filing office; sale or license of records. (1)**

20 **ACKNOWLEDGMENT OF FILING WRITTEN RECORD.** If a person that files a written record
21 requests an acknowledgment of the filing, the filing office shall send to the person