

1 chattel paper under s. 409.105 in good faith, in the ordinary course of the purchaser's
2 business, and without knowledge that the purchase violates the rights of the secured
3 party.

4 (3) CHATTEL PAPER PURCHASER'S PRIORITY IN PROCEEDS. Except as otherwise
5 provided in s. 409.327[✓], a purchaser having priority in chattel paper under sub. (1)
6 or (2) also has priority in proceeds of the chattel paper to the extent that:

7 (a) Section 409.322[✓] provides for priority in the proceeds; or

8 (b) The proceeds consist of the specific goods covered by the chattel paper or
9 cash proceeds of the specific goods, even if the purchaser's security interest in the
10 proceeds is unperfected.

11 (4) INSTRUMENT PURCHASER'S PRIORITY. Except as otherwise provided in s.
12 409.331[✓] (1), a purchaser of an instrument has priority over a security interest in the
13 instrument perfected by a method other than possession if the purchaser gives value
14 and takes possession of the instrument in good faith and without knowledge that the
15 purchase violates the rights of the secured party.

16 (5) HOLDER OF PURCHASE-MONEY SECURITY INTEREST GIVES NEW VALUE. For
17 purposes of subs. (1) and (2), the holder of a purchase-money security interest in
18 inventory gives new value for chattel paper constituting proceeds of the inventory.

19 (6) INDICATION OF ASSIGNMENT GIVES KNOWLEDGE. For purposes of subs. (2) and
20 (4), if chattel paper or an instrument indicates that it has been assigned to an
21 identified secured party other than the purchaser, a purchaser of the chattel paper
22 or instrument has knowledge that the purchase violates the rights of the secured
23 party.

24 **409.331 Priority of rights of purchasers of instruments, documents,**
25 **and securities under other chapters; priority of interests in financial assets**

1 **and security entitlements under ch. 408. (1) RIGHTS UNDER CHS. 403, 407, AND 408**
2 NOT LIMITED. This chapter does not limit the rights of a holder in due course of a
3 negotiable instrument, a holder to which a negotiable document of title has been duly
4 negotiated, or a protected purchaser of a security. These holders or purchasers take
5 priority over an earlier security interest, even if perfected, to the extent provided in
6 chs. 403, 407, and 408.

7 (2) PROTECTION UNDER CH. 408. This chapter does not limit the rights of or impose
8 liability on a person to the extent that the person is protected against the assertion
9 of an adverse claim under ch. 408.

10 (3) FILING NOT NOTICE. Filing under this chapter does not constitute notice of
11 a claim or defense to the holders, or purchasers, or persons described in subs. (1) and
12 (2).

13 **409.332 Transfer of money; transfer of funds from deposit account. (1)**
14 TRANSFEREE OF MONEY. A transferee of money takes the money free of a security
15 interest unless the transferee acts in collusion with the debtor in violating the rights
16 of the secured party.

17 (2) TRANSFEREE OF FUNDS FROM DEPOSIT ACCOUNT. A transferee of funds from a
18 deposit account takes the funds free of a security interest in the deposit account
19 unless the transferee acts in collusion with the debtor in violating the rights of the
20 secured party.

21 **409.333 Priority of certain liens arising by operation of law. (1)**
22 POSSESSORY LIEN. In this section, “possessory lien” means an interest, other than a
23 security interest or an agricultural lien:

1 (a) Which secures payment or performance of an obligation for services or
2 materials furnished with respect to goods by a person in the ordinary course of the
3 person's business;

4 (b) Which is created by statute or rule of law in favor of the person; and

5 (c) Whose effectiveness depends on the person's possession of the goods.

6 **(2) PRIORITY OF POSSESSORY LIEN.** A possessory lien on goods has priority over
7 a security interest in the goods unless the lien is created by a statute that expressly
8 provides otherwise.

9 **409.334 Priority of security interests in fixtures and crops. (1) SECURITY**
10 **INTEREST IN FIXTURES UNDER THIS CHAPTER.** A security interest under this chapter may
11 be created in goods that are fixtures or may continue in goods that become fixtures.
12 A security interest does not exist under this chapter in ordinary building materials
13 incorporated into an improvement on land.

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

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

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

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

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

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

5 **(5) PRIORITY OF SECURITY INTEREST IN FIXTURES OVER INTERESTS IN REAL PROPERTY.**

6 A perfected security interest in fixtures has priority over a conflicting interest of an
7 encumbrancer or owner of the real property if:

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

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

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

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

16 1. Factory or office machines;

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

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

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

23 (d) The security interest is:

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

25 2. Perfected pursuant to a statute described in s. 409.311 (1) (b) or (f).

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

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

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

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

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

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

NCCUSL Legislative Note: States that amend statutes to remove provisions
inconsistent with sub. (9) need not enact sub. (10).

***NOTE: Subsection (10) is deleted.

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

4 (2) PERFECTION OF SECURITY INTEREST. If a security interest is perfected when
5 the collateral becomes an accession, the security interest remains perfected in the
6 collateral.

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

10 (4) COMPLIANCE WITH CERTIFICATE-OF-TITLE STATUTE. A security interest in an
11 accession is subordinate to a security interest in the whole which is perfected by
12 compliance with the requirements of a certificate-of-title statute under s. 409.311
13 (2).

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

18 (6) REIMBURSEMENT FOLLOWING REMOVAL. A secured party that removes an
19 accession from other goods under sub. (5) shall promptly reimburse any holder of a
20 security interest or other lien on, or owner of, the whole or of the other goods, other
21 than the debtor, for the cost of repair of any physical injury to the whole or the other
22 goods. The secured party need not reimburse the holder or owner for any diminution
23 in value of the whole or the other goods caused by the absence of the accession
24 removed or by any necessity for replacing it. A person entitled to reimbursement

✓ An accession

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may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

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

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

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

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

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

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

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

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

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1 **409.337 Priority of security interests in goods covered by certificate of**
2 **title.** If, while a security interest in goods is perfected by any method under the law
3 of another jurisdiction, this state issues a certificate of title that does not show that
4 the goods are subject to the security interest or contain a statement that they may
5 be subject to security interests not shown on the certificate:

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

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

14 **409.338 Priority of security interest or agricultural lien perfected by**
15 **filed financing statement providing certain incorrect information.** If a
16 security interest or agricultural lien is perfected by a filed financing statement
17 providing information described in s. 409.516 (2) (e) which is incorrect at the time the
18 financing statement is filed:

19 (1) The security interest or agricultural lien is subordinate to a conflicting
20 perfected security interest in the collateral to the extent that the holder of the
21 conflicting security interest gives value in reasonable reliance upon the incorrect
22 information; and

23 (2) A purchaser, other than a secured party, of the collateral takes free of the
24 security interest or agricultural lien to the extent that, in reasonable reliance upon
25 the incorrect information, the purchaser gives value and, in the case of chattel paper,

1 documents, goods, instruments, or a security certificate, receives delivery of the
2 collateral.

3 **409.339 Priority subject to subordination.** This chapter does not preclude
4 subordination by agreement by a person entitled to priority.

5 **409.340 Effectiveness of right of recoupment or setoff against deposit**
6 **account. (1) EXERCISE OF RECOUPMENT OR SETOFF.** Except as otherwise provided in
7 sub. (3), a bank with which a deposit account is maintained may exercise any right
8 of recoupment or setoff against a secured party that holds a security interest in the
9 deposit account.

10 **(2) RECOUPMENT OR SETOFF NOT AFFECTED BY SECURITY INTEREST.** Except as
11 otherwise provided in sub. (3), the application of this chapter to a security interest
12 in a deposit account does not affect a right of recoupment or setoff of the secured
13 party as to a deposit account maintained with the secured party.

14 **(3) WHEN SETOFF INEFFECTIVE.** The exercise by a bank of a setoff against a
15 deposit account is ineffective against a secured party that holds a security interest
16 in the deposit account which is perfected by control under s. 409.104 (1) (c), if the
17 setoff is based on a claim against the debtor.

18 **409.341 Bank's rights and duties with respect to deposit account.**
19 Except as otherwise provided in s. 409.340 (3), and unless the bank otherwise agrees
20 in an authenticated record, a bank's rights and duties with respect to a deposit
21 account maintained with the bank are not terminated, suspended, or modified by:

22 **(1)** The creation, attachment, or perfection of a security interest in the deposit
23 account;

24 **(2)** The bank's knowledge of the security interest; or

25 **(3)** The bank's receipt of instructions from the secured party.

1 **409.342 Bank's right to refuse to enter into or disclose existence of**
2 **control agreement.** This chapter does not require a bank to enter into an
3 agreement of the kind described in s. 409.104 (1) (b), even if its customer so requests
4 or directs. A bank that has entered into such an agreement is not required to confirm
5 the existence of the agreement to another person unless requested to do so by its
6 customer.

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SUBCHAPTER IV

3rd

RIGHTS OF ~~THIRD~~ PARTIES

9 **409.401 Alienability of debtor's rights.** (1) OTHER LAW GOVERNS
10 ALIENABILITY; EXCEPTIONS. Except as otherwise provided in sub. (2) and ss. 409.406,
11 409.407, 409.408, and 409.409, whether a debtor's rights in collateral may be
12 voluntarily or involuntarily transferred is governed by law other than this chapter.

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

16 **409.402 Secured party not obligated on contract of debtor or in tort.**
17 The existence of a security interest, agricultural lien, or authority given to a debtor
18 to dispose of or use collateral, without more, does not subject a secured party to
19 liability in contract or tort for the debtor's acts or omissions.

20 **409.403 Agreement not to assert defenses against assignee.** (1) VALUE.
21 In this section, "value" has the meaning provided in s. 403.303 (1).

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

1 (a) For value;

2 (b) In good faith;

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

5 (d) Without notice of a defense or claim in recoupment of the type that may be
6 asserted against a person entitled to enforce a negotiable instrument under s.
7 403.305 (1). ✓

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

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

16 (a) The record has the same effect as if the record ^{had} included such a statement;
17 and

18 (b) The account debtor may assert against an assignee those claims and
19 defenses that would have been available if the record ^{had} included such a statement.

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

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

4 **409.404 Rights acquired by assignee; claims and defenses against**
5 **assignee. (1) ASSIGNEE'S RIGHTS SUBJECT TO TERMS, CLAIMS, AND DEFENSES; EXCEPTIONS.**
6 Unless an account debtor has made an enforceable agreement not to assert defenses
7 or claims, and subject to subs. (2) to (5), the rights of an assignee are subject to:

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

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

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

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

22 (4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION. In a consumer
23 transaction, if a record evidences the account debtor's obligation, law other than this
24 chapter requires that the record include a statement to the effect that the account
25 debtor's recovery against an assignee with respect to claims and defenses against the

1 assignor may not exceed amounts paid by the account debtor under the record, and
2 the record does not include such a statement, the extent to which a claim of an
3 account debtor against the assignor may be asserted against an assignee is
4 determined as if the record ^{had} included such a statement.

5 (5) INAPPLICABILITY TO HEALTHCARE INSURANCE RECEIVABLE. This section does
6 not apply to an assignment of a healthcare insurance receivable.

7 **409.405 Modification of assigned contract. (1) EFFECT OF MODIFICATION ON**
8 **ASSIGNEE.** A modification of or substitution for an assigned contract is effective
9 against an assignee if made in good faith. The assignee acquires corresponding
10 rights under the modified or substituted contract. The assignment may provide that
11 the modification or substitution is a breach of contract by the assignor. This
12 subsection is subject to subs. (2) to (4).

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

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

16 (b) The right to payment or a part thereof has been fully earned by performance
17 and the account debtor has not received notification of the assignment under s.
18 409.406 (1).

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

23 (4) INAPPLICABILITY TO HEALTHCARE INSURANCE RECEIVABLE. This section does
24 not apply to an assignment of a healthcare insurance receivable.

WPO: When draft is typed, search, and fix all of these references.

1 **409.406 Discharge of account debtor; notification of assignment;**
2 **identification and proof of assignment; restrictions on assignment of**
3 **accounts, chattel paper, payment intangibles, and promissory notes**
4 **ineffective. (1) DISCHARGE OF ACCOUNT DEBTOR; EFFECT OF NOTIFICATION.** Subject to
5 subs. (2) to (9), an account debtor on an account, chattel paper, or a payment
6 intangible may discharge its obligation by paying the assignor until, but not after,
7 the account debtor receives a notification, authenticated by the assignor or the
8 assignee, that the amount due or to become due has been assigned and that payment
9 is to be made to the assignee. After receipt of the notification, the account debtor may
10 discharge its obligation by paying the assignee and may not discharge the obligation
11 by paying the assignor.

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

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

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

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

21 1. Only a portion of the account, chattel paper, or payment intangible has been
22 assigned to that assignee;

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

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

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

6 **(4) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as otherwise
7 provided in sub. (5) and ss. 409.407 and 411.303, and subject to sub. (8), a term in an
8 agreement between an account debtor and an assignor or in a promissory note is
9 ineffective to the extent that it:

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

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

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

20 **(6) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE.** Except as
21 otherwise provided in ss. 108.13, 409.407, 411.303, and 565.30 and subject to subs.
22 (8) and (9), a rule of law, statute, or rule that prohibits, restricts, or requires the
23 consent of a government, governmental body or official, or account debtor to the
24 assignment or transfer of, or creation of a security interest in, an account or chattel
25 paper is ineffective to the extent that the rule of law, statute, or rule:

****NOTE: s. 409.406 (6) is changed to add a cross-reference to current s. 565.30 to continue the applicability of s. 565.30 regarding lottery prizes.

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

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

(7) ^{SUBSECTION} ~~Sub~~ (2) (C) NOT WAIVABLE. Subject to sub. (8), an account debtor may not waive or vary its option under sub. (2) (c).

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

(9) INAPPLICABILITY TO HEALTH-CARE-INSURANCE RECEIVABLE. This section does 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 Wisconsin has only s. 565.30 as an inconsistent provision, that is the only existing exception also cross-referenced in subsection (6) (a) (intro.).

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

1 (a) Prohibits, restricts, or requires the consent of a party to the lease to the
2 assignment or transfer of, or the creation, attachment, perfection, or enforcement of
3 a security interest in, an interest of a party under the lease contract or in the lessor's
4 residual interest in the goods; or

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

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

11 (a) A transfer by the lessee of the lessee's right of possession or use of the goods
12 in violation of the term; or

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

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

23 **409.408 Restrictions on assignment of promissory notes,**
24 **health-care-insurance receivables, and certain general intangibles**
25 **ineffective. (1) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE. Except as**

1 otherwise provided in sub. (2), a term in a promissory note or in an agreement
2 between an account debtor and a debtor which relates to a health-care-insurance
3 receivable or a general intangible, including a contract, permit, license, or franchise,
4 and which term prohibits, restricts, or requires the consent of the person obligated
5 on the promissory note or the account debtor to, the assignment or transfer of, or
6 creation, attachment, or perfection of a security interest in, the promissory note,
7 health-care-insurance receivable, or general intangible, is ineffective to the extent
8 that the term:

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

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

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

18 (3) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE. A rule of law,
19 statute, or rule that prohibits, restricts, or requires the consent of a government,
20 governmental body or official, person obligated on a promissory note or account
21 debtor to the assignment or transfer of, or creation of a security interest in, a
22 promissory note, health-care-insurance receivable, or general intangible, including
23 a contract, permit, license, or franchise between an account debtor and a debtor, is
24 ineffective to the extent that the rule of law, statute, or rule:

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

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

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

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

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

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

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

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

4 (f) Does not entitle the secured party to enforce the security interest in the
 5 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 Wisconsin has no inconsistent assignment-of-claims statutes, no statutes were amended.

↑ ↑

6 **409.409 Restrictions on assignment of letter-of-credit rights**
 7 **ineffective. (1) TERM OR LAW RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** A
 8 term in a letter of credit or a rule of law, statute, rule, custom, or practice applicable
 9 to the letter of credit which prohibits, restricts, or requires the consent of an
 10 applicant, issuer, or nominated person to a beneficiary's assignment of or creation of
 11 a security interest in a letter-of-credit right is ineffective to the extent that the term
 12 or rule of law, statute, rule, custom, or practice:

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

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

19 (2) LIMITATION ON INEFFECTIVENESS UNDER SUB. (1). To the extent that a term in
 20 a letter of credit is ineffective under sub. (1) but would be effective under law other
 21 than this chapter or a custom or practice applicable to the letter of credit, to the
 22 transfer of a right to draw or otherwise demand performance under the letter of

1 credit, or to the assignment of a right to proceeds of the letter of credit, the creation,
2 attachment, or perfection of a security interest in the letter-of-credit right:

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

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

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

10 SUBCHAPTER V

11 FILING

12 **409.501 Filing office.** (1) FILING OFFICES. Except as otherwise provided in
13 sub. (2), if the local[✓] law[✓] of this state governs perfection of a security interest or
14 agricultural lien, the office in which to file a financing statement to perfect the
15 security interest or agricultural lien is:

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

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

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

21 (b) The office of the department of financial institutions or any office duly
22 authorized by[✓] department,[✓] in all other cases, including a case in which the collateral
23 is goods that are or are to become fixtures and the financing statement is not filed
24 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:

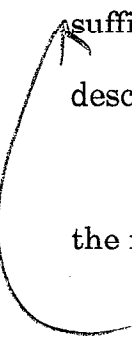
- 10 (a) Provides the name of the debtor;
- 11 (b) Provides the name of the secured party or a representative of the secured
- 12 party; and
- 13 (c) Indicates the collateral covered by the financing statement.

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.

X
 ✓
 ✓
 ✓



that would be

✓

****NOTE: This draft includes the bracketed language in par. (b) “for record” and in par. (c) “sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the laws of this state”.

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.

****NOTE: This draft includes the bracketed language in par. (d) “duly”.

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;

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

3 1. Provides the name specified for the trust in its organic documents or, if no
4 name is specified, provides the name of the settlor and additional information
5 sufficient to distinguish the debtor from other trusts having one or more of the same
6 settlors; and

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

9 (d) In other cases:

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

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

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

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

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

20 **(3) DEBTOR'S TRADE NAME INSUFFICIENT.** A financing statement that provides
21 only the debtor's trade name does not sufficiently provide the name of the debtor.

22 **(4) REPRESENTATIVE CAPACITY.** Failure to indicate the representative capacity
23 of a secured party or representative of a secured party does not affect the sufficiency
24 of a financing statement.

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

3 **409.504 Indication of collateral.** A financing statement sufficiently
4 indicates the collateral that it covers if the financing statement provides:

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

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

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

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

23 **409.506 Effect of errors or omissions.** (1) MINOR ERRORS AND OMISSIONS. A
24 financing statement substantially satisfying the requirements of this subchapter is

1 effective, even if it has minor errors or omissions, unless the errors or omissions make
2 the financing statement seriously misleading.

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

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

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

13 **409.507 Effect of certain events on effectiveness of financing**
14 **statement.** (1) DISPOSITION. A filed financing statement remains effective with
15 respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed
16 of and in which a security interest or agricultural lien continues, even if the secured
17 party knows of or consents to the disposition.

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

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

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

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

5 **409.508 Effectiveness of financing statement if new debtor becomes**
6 **bound by security agreement. (1) FINANCING STATEMENT NAMING ORIGINAL DEBTOR.**

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

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

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

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

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

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

5 (a) The debtor authorizes the filing in an authenticated record or pursuant to
6 sub. (2) or (3); or

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

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

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

14 (b) Property that becomes collateral under s. 409.315 (1) (b),[✓] whether or not the
15 security agreement expressly covers proceeds.

16 **(3) ACQUISITION OF COLLATERAL AS AUTHORIZATION.** By acquiring collateral in
17 which a security interest or agricultural lien continues under s. 409.315 (1) (a),[✓] a
18 debtor authorizes the filing of an initial financing statement, and an amendment,
19 covering the collateral and property that becomes collateral under s. 409.315 (1) (b).[✓]

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

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

24 (b) The amendment is a termination statement for a financing statement as to
25 which the secured party of record has failed to file or send a termination statement

1 as required by s. 409.513 (1) or (3), the debtor authorizes the filing, and the
2 termination statement indicates that the debtor authorized it to be filed.

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

6 **409.510 Effectiveness of filed record.** (1) FILED RECORD EFFECTIVE IF
7 AUTHORIZED. A filed record is effective only to the extent that it was filed by a person
8 that may file it under s. 409.509.

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

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

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

20 (2) AMENDMENT NAMING SECURED PARTY OF RECORD. If an amendment of a
21 financing statement which provides the name of a person as a secured party or a
22 representative of a secured party is filed, the person named in the amendment is a
23 secured party of record. If an amendment is filed under s. 409.514 (2), the assignee
24 named in the amendment is a secured party of record.

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

4 **409.512 Amendment of financing statement. (1) AMENDMENT OF**
5 **INFORMATION IN FINANCING STATEMENT.** Subject to s. 409.509, a person may add or
6 delete collateral covered by, continue or terminate the effectiveness of, or, subject to
7 sub. (5), otherwise amend the information provided in, a financing statement by
8 filing an amendment that:

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

11 (b) If the amendment relates to an initial financing statement filed or recorded
12 in a filing office described in s. 409.501 (1) (a), provides the date ^{on which} ~~that~~ the initial
13 financing statement was filed or recorded and the information specified in s. 409.502
14 (2).

****NOTE: 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: Alternative B is included in this draft. Alternative A does not have in paragraph (b) "the date ^{on which} ~~that~~ the initial financing statement was filed or recorded and". The bracketed "or recorded" is retained and the bracketed "and time" is deleted.

15 **(2) PERIOD OF EFFECTIVENESS NOT AFFECTED.** Except as otherwise provided in s.
16 409.515, the filing of an amendment does not extend the period of effectiveness of the
17 financing statement.

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

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

4 (5) CERTAIN AMENDMENTS INEFFECTIVE. An amendment is ineffective to the
5 extent ^{that} it:

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

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

10 **409.513 Termination statement.** (1) CONSUMER GOODS. A secured party shall
11 cause the secured party of record for a financing statement to file a termination
12 statement for the financing statement if the financing statement covers consumer
13 goods and:

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

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

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

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

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

1 **(3) OTHER COLLATERAL.** In cases not governed by sub. (1), within 20 days after
2 a secured party receives an authenticated demand from a debtor, the secured party
3 shall cause the secured party of record for a financing statement to send to the debtor
4 a termination statement for the financing statement or file the termination
5 statement in the filing office if:

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

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

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

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

16 **(4) EFFECT OF FILING TERMINATION STATEMENT.** Except as otherwise provided in
17 s. 409.510, upon the filing of a termination statement with the filing office, the
18 financing statement to which the termination statement relates ceases to be
19 effective. Except as otherwise provided in s. 409.510, for the purposes of ss. 409.519
20 (7), 409.522 (1), and 409.523 (3), the filing with the filing office of a termination
21 statement relating to a financing statement that indicates that the debtor is a
22 transmitting utility also causes the effectiveness of the financing statement to lapse.

23 **409.514 Assignment of powers of secured party of record. (1)**

24 **ASSIGNMENT REFLECTED ON INITIAL FINANCING STATEMENT.** Except as otherwise
25 provided in sub. (3), an initial financing statement may reflect an assignment of all

1 of the secured party's power to authorize an amendment to the financing statement
2 by providing the name and mailing address of the assignee as the name and address
3 of the secured party.

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

8 (a) Identifies, by its file number, the initial financing statement to which it ✓
9 relates;

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

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

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

17 **409.515 Duration and effectiveness of financing statement; effect of**
18 **lapsed financing statement. (1) FIVE-YEAR EFFECTIVENESS.** Except as otherwise
19 provided in subs. (2), (5), (6), and (7), a filed financing statement is effective for a
20 period of 5 years after the date of filing.

21 (2) PUBLIC-FINANCE OR MANUFACTURED-HOME TRANSACTION. Except as otherwise
22 provided in subs. (5), (6), and (7), an initial financing statement filed in connection
23 with a public-finance transaction or manufactured-home transaction is effective for
24 a period of 30 years after the date of filing if it indicates that it is filed in connection
25 with a public-finance transaction or manufactured-home transaction.

1 **(3) LAPSE AND CONTINUATION OF FINANCING STATEMENT.** The effectiveness of a filed
2 financing statement lapses on the expiration of the period of its effectiveness unless
3 before the lapse a continuation statement is filed pursuant to sub. (4). Upon lapse,
4 a financing statement ceases to be effective and any security interest or agricultural
5 lien that was perfected by the financing statement becomes unperfected, unless the
6 security interest is perfected otherwise. If the security interest or agricultural lien
7 becomes unperfected upon lapse, it is deemed never to have been perfected as against
8 a purchaser of the collateral for value.

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

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

21 **(6) TRANSMITTING UTILITY FINANCING STATEMENT.** If a debtor is a transmitting
22 utility and a filed financing statement so indicates, the financing statement is
23 effective until a termination statement is filed.

24 **(7) RECORD OF MORTGAGE AS FINANCING STATEMENT.** A record of a mortgage that
25 is effective as a financing statement filed as a fixture filing under s. 409.502 (3)

1 remains effective as a financing statement filed as a fixture filing until the mortgage
2 is released or satisfied of record or its effectiveness otherwise terminates as to the
3 real property.

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

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

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

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

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

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

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

17 a. Does not identify the initial financing statement as required by s. 409.512 or ✓
18 409.518, as applicable; or

19 b. Identifies an initial financing statement whose effectiveness has lapsed ✓
20 under s. 409.515;

21 3. In the case of an initial financing statement that provides the name of a
22 debtor identified as an individual or an amendment that provides a name of a debtor
23 identified as an individual which was not previously provided in the financing
24 statement to which the record relates, the record does not identify the debtor's last
25 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: The bracketed material "or recorded" is retained.

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
5 409.518, 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 office
22 described in s. 409.501 (1) (a), the date ~~of~~ ^{on which} the initial financing statement was filed
23 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: 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: Alternative B for sub. (2) is included in this draft. The bracketed "or recorded" is retained and the bracketed "and time" is deleted.

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.

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:

****NOTE: 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 "assigned after January 1, 2002," in sub. (2).

****NOTE: Because I am uncertain that DFI can implement the check digit requirement by July 1, 2001, "assigned after January 1, 2002," is retained.

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:

****NOTE: NCCUSL Legislative Notes:

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.

****NOTE: "it must be filed for record and" is retained.

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

1 description, as if the financing statement were a record of a mortgage of the real
2 property described.

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

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

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

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

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

14 1. If the filing office is described in s. 409.501 (1) (a), by the file number assigned
15 to the initial financing statement to which the record relates and the date ~~that~~ ^{on which}
16 record was filed or recorded; or

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

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

***NOTE: NCCUSL Legislative Note:

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).

***NOTE: Alternative B for sub. (6) is included in this draft. The bracketed "or recorded" is retained and the bracketed "and time" is deleted.

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

4 (8) TIMELINESS OF FILING OFFICE PERFORMANCE. The filing office shall perform
5 the acts required by subs. (1) to (5) at the time and in the manner prescribed by
6 filing-office rule, but not later than:

7 (a) Five business days after the filing office receives the record in question for
8 acts performed before July 1, 2003; and

9 (b) Two business days after the filing office receives the record in question for
10 acts performed on or after July 1, 2003.

****NOTE: The bracketed Subsection (9) is deleted because sub. (2) uses the January 1, 2002, date and Subsection (8) is modified for the two-year period after the effective date.

11 **409.520 Acceptance and refusal to accept record. (1) MANDATORY REFUSAL**
12 **TO ACCEPT RECORD.** A filing office shall refuse to accept a record for filing for a reason
13 set forth in s. 409.516 (2) and may refuse to accept a record for filing only for a reason
14 set forth in s. 409.516 (2).

15 (2) COMMUNICATION CONCERNING REFUSAL. If a filing office refuses to accept a
16 record for filing, ^{the filing office} it shall communicate to the person that presented the record the fact
17 of and reason for the refusal and the date and time ^{the record} the record would have been filed
18 had the filing office accepted ^{the record} it. The communication must be made at the time and
19 in the manner prescribed by filing-office rule but, in no event more than:

20 (a) Five business days after the filing office receives the record for records
21 received before July 1, 2003; and

22 (b) Two business days after the filing office receives the record for records
23 received on or after July 1, 2003.

****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 “in the case of a filing office described in s. 409.501 (1) (b)”.

****NOTE: The the bracketed material “in the case of a filing office described in s. 409.501 (1) (b)” is deleted because Subsection (2) is modified for the two-year period after the effective date.

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):

← WPO: In the attributes, for this "text:tree" component, change "line-no*" to "no".

← WPO: in frame props., change frame width to 110%, on this page only.

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 OR 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 NONE

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 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 NONE

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

Full name a letter to credit

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 NONE

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

← WPO: in the attributes, for this text: treat component, change "line_no*" to "no".

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

← WPO: change attributes for "line no." to "no" for this text: treat component.

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 6a 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

Official Act Section 9-521 forms

Proof
with
99-1446/c
forms

(b) **[Communication concerning refusal.]** If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication must be made at the time and in the manner prescribed by filing-office rule but [, in the case of a filing office described in Section 9-501(a)(2),] in no event more than two business days after the filing office receives the record.

(c) **[When filed financing statement effective.]** A filed financing statement satisfying Section 9-502(a) and (b) is effective, even if the filing office is required to refuse to accept it for filing under subsection (a). However, Section 9-338 applies to a filed financing statement providing information described in Section 9-516(b)(5) which is incorrect at the time the financing statement is filed.

(d) **[Separate application to multiple debtors.]** If a record communicated to a filing office provides information that relates to more than one debtor, this part applies as to each debtor separately.

Legislative Note: A State that elects not to require real-property filing offices to comply with subsection (b) should include the bracketed language.

SECTION 9-521. UNIFORM FORM OF WRITTEN FINANCING STATEMENT AND AMENDMENT.

(a) **[Initial financing statement form.]** A filing office that accepts written records may not refuse to accept a written initial financing statement in the following form and format except for a reason set forth in Section 9-516(b):



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 or 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 ADDL INFO RE ORGANIZATION DEBTOR 1a. TYPE OF ORGANIZATION 1b. JURISDICTION OF ORGANIZATION 1c. ORGANIZATIONAL ID #, if any

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 SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #: SSN OR EIN ADDL INFO RE ORGANIZATION DEBTOR 2a. TYPE OF ORGANIZATION 2b. JURISDICTION OF ORGANIZATION 2c. ORGANIZATIONAL ID #, if any

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 SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AGENT NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum. 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable). ADDITIONAL FEES AS UNCLE TOM'S Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

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 org 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 NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - Insert only org 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:

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):

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

(b) **[Amendment form.]** A filing office that accepts written records may not refuse to accept a written record in the following form and format except for a reason set forth in Section 9-516(b):



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.
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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 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 Items 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

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

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

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. TAX ID #: SSN OR EIN	ADDL. INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
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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 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

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. (1) POST-LAPSE**

2 MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office shall maintain a record
3 of the information provided in a filed financing statement for at least one year after
4 the effectiveness of the financing statement has lapsed under s. 409.515 with respect
5 to all secured parties of record. The record must be retrievable by using the name
6 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 ~~that~~ ^{on which} the record was filed or recorded; or

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

***NOTE: 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: Alternative B is included in this draft. The bracketed "or recorded" is retained and the bracketed "and time" is deleted.

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

18 **409.523 Information from filing office; sale or license of records. (1)**
19 ACKNOWLEDGMENT OF FILING WRITTEN RECORD. If a person that files a written record
20 requests an acknowledgment of the filing, the filing office shall send to the person
21 an image of the record showing the number assigned to the record pursuant to s.

1 409.519 (1) (a) and the date and time of the filing of the record. However, if the person
2 furnishes a copy of the record to the filing office, the filing office may instead:

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

5 (b) Send the copy to the person.

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

9 (a) The information in the record;

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

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

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

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

18 1. Designates a particular debtor or, if the request so states, designates a
19 particular debtor at the address specified in the request;

****NOTE: NCCUSL Legislative Notes:

1. States whose filing office does not offer the additional service of responding to search requests limited to a particular address should omit the bracketed language in sub. (3) (a) 1. "or, if the request so states, designates a particular debtor at the address specified in the request".

****NOTE: The bracketed language in sub. (3) (a) 1. "or, if the request so states, designates a particular debtor at the address specified in the request" is retained in this draft.

of
and

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

2 and

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

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

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

7 (4) MEDIUM FOR COMMUNICATING INFORMATION. In complying with its duty under
8 sub. (3), the filing office may communicate information in any medium. However, if
9 requested, the filing office shall communicate information by issuing a record that
10 can be admitted into evidence in the courts of this state without extrinsic evidence
11 of its authenticity.

12 (5) TIMELINESS OF FILING-OFFICE PERFORMANCE. The filing office shall perform
13 the acts required by subs. (1) to (4) at the time and in the manner prescribed by
14 filing-office rule, but not later than:

15 (a) Five business days after the filing office receives the request for requests
16 received before July 1, 2003; and

17 (b) Two business days after the filing office receives the request for requests
18 received on or after July 1, 2003.

****NOTE: NCCUSL Legislative Notes:

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

****NOTE: The phrase "filing office described in s. 409.501 (1) (b)" is not included
because Subsection (5) is modified for the two-year period after the effective date.

19 (6) PUBLIC AVAILABILITY OF RECORDS. At least weekly, the department of financial
20 institutions shall offer to sell or license to the public on a nonexclusive basis, in bulk,