



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2011 Wisconsin Act 206
[2011 Senate Bill 416]

**Article 9 of the Uniform
Commercial Code**

2011 Wisconsin Act 206 relates to adopting amendments to the Uniform Commercial Code (UCC), Article 9, relating to secured transactions, recommended by the National Conference of Commissioners on Uniform State Laws (NCCUSL).

The Act adopts the 2010 amendments to Article 9 of the UCC approved by the NCCUSL. Article 9 is found in ch. 409, Stats., and governs the creation and enforcement of a security interest in personal property, including movable property, intangible property, and fixtures attached to real property, but not including a security interest in real property.

Briefly, the NCCUSL amendments:

- Specify that a debtor's name as it appears on a driver's license or identification card issued by the Department of Transportation is sufficient identification in a financing statement. If there is no such identification card, listing a first and last name is sufficient.
- Revise procedures when a debtor has moved to a different state, or when a debtor's identity or jurisdiction have changed by a merger.
- Specify that a financing statement is not required to provide a type of organization for the debtor, jurisdiction of organization for the debtor, or an organizational identification number.
- Revise a debtor's "correction statement" to "information statement," and specify that a secured party may file an information statement if the secured party believes that an amendment to the financing statement was inadvertently filed with the statement by a secured party for a different financing statement.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

- Specify that agreement terms restricting assignment are ineffective if a sale of a promissory note or payment intangible is a disposition of collateral after default or is an acceptance of collateral in satisfaction of the debtor's obligation.
- Create a definition of "public organic record" as the initial public document that forms or organizes an organization.
- Update UCC forms.

The Act also revises the definition of "good faith" in the context of secured transactions to match the definition that is given for other general areas of the UCC, as adopted in Wisconsin, to mean honesty in fact in the conduct or transaction concerned. Lastly, the Act allows for electronic chattel records if a reliable system is employed to establish the assignment of the interest.

Effective date: 2011 Wisconsin Act 206 is effective July 1, 2013, and includes certain transitional provisions for applicability to existing perfected and unperfected security interests. Generally, an action, case, or proceeding commenced before July 1, 2013, is unaffected by the Act, and a security interest for which perfection requirements are satisfied prior to July 1, 2013, continues to be a perfected security interest. However, other transactions or liens, and unperfected or imperfectly perfected security interests generally must satisfy the requirements of the Act, even if a transaction or lien was entered into before July 1, 2013.

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