



2017 Filing Office Fun Facts

Provided by CSC

More state-level UCC filing offices allow electronic filing of UCC records than allow the filing of paper UCC forms. 1/6/17.

A debtor name search of the Georgia central UCC index on the phrase "Revised Article 9" discloses about 109,700 UCC records. All appear to be UCC3 records filed since 2001. Filing offices often cross referenced UCC3s by debtor name and would enter "Debtor Name Not Required Under Revised Article 9" if the filer failed to provide one. 1/13/17.

A bogus UCC financing statement on file with the California Secretary of State consists of 316 pages and names a multitude of debtors, including state and federal public officials, financial institutions and one unfortunate process server. 1/20/17.

More than 500 debtor names in the Minnesota Secretary of State's UCC index contain the word "Debtor." 1/27/17.

Less than 1% of UCC initial financing statements filed in 2016 reflect an assignment as provided in UCC § 9-514(a). 2/3/17.

The state with the most UCC records on file that reference a large member of the weasel family is Michigan, where approximately 3600 records, including amendments, include "wolverine" in the debtor name. Wisconsin comes in second with just over 1200 records disclosed on a search of "badger." 2/10/17.

There are at least 8 different communication methods currently permitted by state-level filing offices for filing UCC records. Among them are hand delivery, US Mail, overnight express delivery, fax, email, image upload, data entry through a web portal, and direct transmission of XML data. Of course, not every filing office permits every method of communication. 2/17/17.

The most common lake name in Minnesota, "The Land of 10,000 Lakes," is Mud Lake. However, out of thousands of UCC records on file at the Minnesota Secretary of State that contain the word "Lake" in the debtor name, only one includes "Mud Lake." 2/24/17.

The Mississippi Secretary of State's UCC filing office will require that all UCC records submitted after July 1, 2017 be filed electronically, although the process will be a bit different from other e-file only states and could still involve paper in some cases. All UCC records will either need to be submitted for filing electronically through the filing office

web site or via a B2B connection using the XML protocol. Records created electronically on the filing office web site can be saved, printed and then mailed to the filing office with a check to cover the filing fees. However, upon receipt of the check the filing office will populate the UCC index with the stored electronic data. The filing office performs no data entry so mailing in the record really amounts to postponed electronic filing. The process will be much the same for Effective Financing Statement (EFS) records filed under the federal Food Security Act. All EFS records will need to be created electronically through the filing office website. However, due to the signature requirements those records must be printed, signed and then mailed to the filing office. Upon receipt, the filing office will index the EFS record using the stored electronic data and then attach an image of the printed form with the required signatures. Mississippi will become the 6th state-level filing office to eliminate the filing of written UCC records. Stay tuned. At least 2 more states are considering similar measures this year. 3/3/17.

UCC forms are designated as contraband in many U.S. correctional facilities. Inmates found in possession of UCC forms or related materials are subject to disciplinary action, which may range from loss of privileges and “good time” to additional criminal charges. 3/10/17.

Fifteen states did not adopt the 30-year duration and effectiveness rule for public-finance transactions in UCC § 9-515(b). A financing statement filed in any of those states that indicates it was filed in connection with a public-finance transaction is only effective for 5 years. 3/17/17.

Indiana is the only state that by law requires the secured party to send a copy of a filed UCC financing statement to the debtor. The secured party must provide the financing statement within thirty days of filing or it is subject to the remedies set forth in UCC § 9-625. 3/24/17.

A non-uniform version of UCC § 9-513 makes North Dakota the only state to require that the secured party file a termination statement in all cases when no obligation remains secured by the collateral, not just when the financing statement covers consumer goods. However, the secured party does not need to file a termination statement if the debtor requests in writing that the filing be continued. 3/31/17.

The official text of Article 9 requires a filing office to complete its indexing, rejection and search duties within 2 business days. However, thirteen states enacted non-uniform text in the applicable Article 9 sections to designate a longer time for performance or to allow the filing office to establish its own turnaround time by rule. 4/7/17.

The Hawaii Bureau of Conveyances has the shortest UCC administrative rules adopted by a state-level filing office. The UCC rules consist of a single paragraph containing 32 words. 4/14/17.

Two state-level filing offices, the North Dakota and South Dakota secretaries of state, offer online UCC searches by individual debtor social security number. 4/21/17.

Twelve states currently allow the filing of UCC financing statements by fax. 4/28/17.

New York law still requires the filing office to reject a UCC financing statement that fails to provide the type of organization and jurisdiction of organization for an organization debtor name. 5/5/17.

The New Jersey Dept. of Revenue & Enterprise Services online UCC filing system allows a maximum of 50 characters for the organization name of the party authorizing the UCC3 record. As a result, the authorizing party name often has to be truncated when it includes the party's capacity, successor in interest language or explanatory text. 5/12/17.

Oklahoma is the only state that designates an office other than the central filing office for the filing of a UCC financing statement that indicates the debtor is a transmitting utility. Oklahoma County is the § 9-501(a)(2) central filing office for the state, but transmitting utility UCC records are filed with the secretary of state under the state's version of § 9-501(b). 5/19/17.

The foregoing "Fun Facts" were extracted from weekly legislative update emails sent by CSC during 2016 and were compiled by Paul Hodnefield, Associate General Counsel, (800) 927-9801, ext. 61730, email: paul.hodnefield@cscglobal.com, who is solely responsible for this content.