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Model Administrative Rules

Uniform Commercial Code, Revised Article 9

as approved by the

International Association of Corporation Administrators
SECURED TRANSACTION SECTION

**Model UCC Administrative Rules
Uniform Commercial Code -- Article 9**

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ADMINISTRATIVE RULES

OF THE

[NAME OF FILING OFFICE]

[Street Address]

Office Hours: __:__ AM - __:__ PM
(Monday through Friday, except holidays)

[Mailing Address, if different]

[Telephone Numbers]

xxx-xxx-xxxx (General Information)

xxx-xxx-xxxx (Fax)

xxx-xxx-xxxx (TDD)

xxx-xxx-xxxx (Fax for Filings and Search Requests)

xxx-xxx-xxxx (On-Line Access)

http://www._____ (Web Page)

_____ (E-mail Address)

Section 1 -- General Provisions

100 Policy statement. The administration of the UCC has an important impact on the economy and upon the rights of the public, in this state and in the United States. The volume of international, interstate and multistate transactions pursuant to the UCC requires that the administration of the UCC be conducted in a manner that promotes both local and multi-jurisdictional commerce by striving for uniformity in policies and procedures among the various states.

As provided in §9-526 of the UCC, the interpretation and implementation of the filing office's duties and responsibilities shall be expressed in a written set of administrative rules, which the public shall have a voice in creating. Such rules have the following purposes:

To simplify and improve the administration of the UCC by promoting uniform UCC filing procedures in this state and in the nation;

To simplify the public's ability to discover and understand the UCC filing procedures of the various states by establishing a uniform framework for describing the procedures;

To increase public access to information;

To increase public participation in the formulation of administrative policy and procedures; and

To increase public accountability of the filing officer.

101 Definitions. The following terms shall have the respective meanings provided in this rule. Terms not defined in this rule which are defined in the UCC shall have the respective meanings accorded such terms in the UCC.

101.1 "Amendment" means a UCC document that purports to amend the information contained in a financing statement. Amendments include assignments, continuations and terminations.

101.2 "Assignment" is an amendment that purports to reflect an assignment of all or a part of a secured party's power to authorize an amendment to a financing statement.

101.3 "Continuation" means an amendment that purports to continue the effectiveness of a financing statement.

- 101.4 "Correction statement" means a UCC document that purports to indicate that a financing statement is inaccurate or wrongfully filed.
- 101.5 "File number" means the unique identifying information assigned to an initial financing statement by the filing officer for the purpose of identifying the financing statement and UCC documents relating to the financing statement in the filing officer's information management system. For a financing statement with an initial financing statement filed on or prior to *[December 31, 2001]*, the file number includes the *[date of filing and the]* __-digit number assigned to the financing statement by the filing officer. For a financing statement with an initial financing statement filed on or after *[January 1, 2002]*, the file number includes three segments; the year of filing expressed as a *[four/two]*-digit number, followed by a unique __-digit number assigned to the financing statement by the filing office and ending with a __-digit verification number assigned by the filing office but mathematically derived from the numbers in the first two segments. The filing number bears no relation to the time of filing and is not an indicator of priority. *[Revised Article 9 establishes a basic format for file numbers beginning January 1, 2002. The most important aspect is the "check digit" feature that will help ensure that filers correctly identify the proper financing statement in amendments and correction statements. The statute leaves the decision for a 4-digit or 2-digit year segment to the filing office as well as the length and nature of the unique number segment. Filing offices are encouraged to move to the new format as soon as practicable, but the statute allows time for the development of the new numbering system and its incorporation into the filing office's information management system.]*
- 101.6 "Filing office" and "filing officer" mean *[identify the entity charged by the legislature with the administration of the UCC filing system]*.
- 101.7 "Financing statement" means a record or records composed of an initial financing statement and any filed record(s) relating to the initial financing statement.
- 101.8 "Individual" means a human being, or a decedent in the case of a debtor that is such decedent's estate.
- 101.9 "Initial financing statement" means a UCC document that does not identify itself as an amendment or identify an initial financing statement to which it relates, as required by UCC § 9-512, 9-514 or 9-518.
- 101.10 "Organization" means a legal person who is not an individual under rule 101.8.
- 101.11 "Remitter" means a person who tenders a UCC document to the filing officer for filing, whether the person is a filer or an agent of a filer responsible for tendering the document for filing. "Remitter" does not include a person responsible merely for the delivery of the document to the filing office, such as the postal service or a courier

service but does include a service provider who acts as a filer's representative in the filing process.

- 101.12 "Secured party of record" means, with respect to a financing statement, a person whose name is provided as the name of a secured party or a representative of the secured party in an initial financing statement that has been filed. If an initial financing statement is filed under UCC § 9-514(a), the assignee named in the initial financing statement is the secured party of record with respect to the financing statement. If an amendment of a financing statement which provides the name of a person as a secured party or a representative of a secured party is filed, the person named in the amendment is a secured party of record. If an amendment is filed under UCC § 9-514(b), the assignee named in the amendment is a secured party of record. A person remains a secured party of record until the filing of an amendment of the financing statement which deletes the person.
- 101.13 "Termination" means an amendment intended to indicate that the related financing statement has ceased to be effective with respect to the secured party authorizing the termination.
- 101.14 "UCC" means the Uniform Commercial Code as adopted in this state and in effect from time to time.
- 101.15 "UCC document" means an initial financing statement, an amendment, an assignment, a continuation, a termination or a correction statement. The word "document" in the term "UCC document" shall not be deemed to refer exclusively to paper or paper-based writings; it being understood that UCC documents may be expressed or transmitted electronically or through media other than such writings. (Note: this definition is used for the purpose of these rules only. The use of the term "UCC document" in these rules has no relation to the definition of the term "document" in UCC § 9-102(a)(30).)
- 102 Singular and plural forms. Singular nouns shall include the plural form, and plural nouns shall include the singular form, unless the context otherwise requires.
- 103 Place to file. The filing office is the office for filing UCC documents relating to all types of collateral except for timber to be cut, as-extracted collateral (UCC §9-102(a)(6)) and, when the relevant financing statement is filed as a fixture filing, goods which are or are to become fixtures. Regardless of the nature of the collateral, the filing office is the office for filing all UCC documents where the debtor is a transmitting utility.

- 104 Filing office identification. In addition to the promulgation of these rules, the filing office will disseminate information of its location, mailing address, telephone and fax numbers, and its internet and other electronic "addresses" through usual and customary means.
- 104.1 On-line information service. The filing officer offers on-line information services at xxx-xxx-xxxx. *[Insert any communications requirements.]*
- 104.2 Electronic Mail. Electronic mail [cannot] [may] be used for filing UCC documents or for requesting searches of the records of financing statements.
- 105 Office hours. Although the filing office maintains regular office hours, it receives transmissions electronically and by telefacsimile 24 hours per day, 365 days per year, except for scheduled maintenance and unscheduled interruptions of service. Electronic communications may be retrieved and processed periodically (but no less often than once each day the filing office is open for business) on a batch basis.
- 106 UCC document delivery. UCC documents may be tendered for filing at the filing office as follows.
- 106.1 Personal delivery, at the filing office's street address. The file time for a UCC document delivered by this method is when delivery of the UCC document is accepted by the filing office (even though the UCC document may not yet have been accepted for filing and subsequently may be rejected).
- 106.2 Courier delivery, at the filing office's street address. The file time for a UCC document delivered by this method is, notwithstanding the time of delivery, at the earlier of the time the UCC document is first examined by a filing officer for processing (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected), or the next close of business following the time of delivery. **[Alternative language -** , notwithstanding the time of delivery, the next close of business following the time of delivery (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected)]. A UCC document delivered after regular business hours or on a day the filing office is not open for business [, if not examined for processing sooner,] will have a filing time of the close of business on the next day the filing office is open for business.
- 106.3 Postal service delivery, to the filing office's mailing address. The file time for a UCC document delivered by this method is the next close of business following the time of delivery (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected). A UCC document delivered after regular

business hours or on a day the filing office is not open for business will have a filing time of the close of business on the next day the filing office is open for business.

106.4 Electronic mail and telefacsimile delivery, to the filing office's e-mail address or the filing office's fax filing telephone number. The file time for a UCC document delivered by this method is, notwithstanding the time of delivery, at the earlier of the time the UCC document is first examined by a filing officer for processing (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected), or the next close of business following the time of delivery [**Alternative language** - , notwithstanding the time of delivery, the 5:00 P.M. on a day the filing office is open to the public next following the time of delivery (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected)]. A UCC document delivered after regular business hours or on a day the filing office is not open for business [, if not examined for processing sooner,] will have a filing time of the close of business on the next day the filing office is open for business.

106.4.1 *[Include any additional requirements, such as fee payment arrangements, for delivering UCC documents by telefacsimile here.]*

106.5 Electronic filing. UCC documents may be transmitted electronically using the XML standard approved by the International Association of Corporation Administrators as described in rules 340 et seq. [or using the ANSI X12 154 transmission standard as described in rules 350 et seq.] UCC documents may also be transmitted electronically through on-line entry as described in rules 370 et seq. The file time for a UCC document delivered by this method is the time that the filing office's EDI system analyzes the relevant transmission and determines that all the required elements of the transmission have been received in a required format and are machine-readable.

107 Search request delivery. UCC search requests may be delivered to the filing office by any of the means by which UCC documents may be delivered to the filing office. Requirements concerning search requests are set forth in rule 501. UCC search requests upon a debtor named on an initial financing statement may be made by an appropriate indication on the face of the initial financing statement form if the form is entitled to be filed with the standard form fee and the relevant search fee is also tendered with the initial financing statement.

108 Approved forms. Forms for UCC documents that conform to the requirements of this rule will be acceptable by the filing office. Other forms will not be accepted by the filing office.

108.1 Statutory forms. The forms set forth in UCC § 9-521 will be acceptable.

- 108.2 IACA forms approved. A form approved for the relevant UCC document by the International Association of Corporation Administrators on or prior to *[date]* will be acceptable.
- 108.3 Secretary of State-approved. A form for the relevant UCC document approved by the office of the Secretary of State will be acceptable. [*Such forms should highlight and describe all information requirements that do not conform to the Official Text of the Uniform Commercial Code as promulgated by the National Conference of Commissioners on Uniform State Laws and the American Law Institute.*] Copies of all such forms then approved shall be distributed with these rules when they are distributed by the filing office and the filing office shall cause copies of such forms to be made available to prospective filers and remitters upon request.
- 108.4 Electronic filings. A UCC document transmitted electronically pursuant to the International Association of Corporation Administrator's XML standard and the procedures set forth in rules 340 et seq.[, pursuant to the ANSI X12 154 standard and the procedures set forth in rules 350 et seq.] or pursuant to on-line data entry procedures set forth in rules 370 et seq. will be acceptable.
- 109 Form -- UCC search. A form that meets the requirements regarding dimensions and location of information on the search form approved by the [*Office of the Secretary of State*], or that is transmitted electronically in accordance with rules 340 et seq. or rules 370 et seq. will be acceptable. Other forms will not be accepted by the filing office.
- 110 Forms suppliers. The filing office will make lists of forms suppliers available to prospective filers and remitters upon request.
- 111 Filing fees.
- 111.1 Filing fee. The fee for filing and indexing a UCC document of one or two pages communicated on paper or in a paper-based format (including faxes) is \$__[X]__. If there are additional pages, the fee is \$__[2X]__. But the fee for filing and indexing a UCC document communicated by a medium authorized by these rules which is other than on paper or in a paper-based format shall be \$__[½X]__.
- 111.2 Additional fees. In addition to fees set forth in rules 111.1 and 111.2, a fee of \$_____ shall be paid for an initial financing statement that indicates that it is filed in connection with a public-finance transaction, a fee of \$_____ shall be paid for an initial financing statement that indicates that it is filed in connection with a manufactured-home transaction, and a fee of \$_____ shall be paid for each additional debtor name more than two that is required to be indexed if the relevant UCC document is communicated in writing.

- 111.3 UCC search fee. The fee for a UCC search request communicated on paper or in a paper-based format is \$_____. The fee for filing and indexing a UCC search request communicated by a medium authorized by these rules which is other than on paper or in a paper-based format shall be \$_____.
- 111.4 UCC search -- copies. The fee for UCC search copies is \$_____ per page (or page equivalent for electronically transmitted search responses).
- 112 Expedited services. The following information, instructions, and fees are applicable to requests for expedited service.
- 112.1 Description of expedited service and fee.
- 112.1.1 Acceptance and Refusal Process. *[Describe levels of service, and the fee for each level of service.]*
- 112.1.2 Responding to UCC search request. *[Describe levels of service, and the fee for each level of service.]*
- 112.2 How to request expedited service.
- 112.2.1 Acceptance and Refusal Process. *[Describe the manner by which expedited service may be requested.]*
- 112.2.2 Responding to UCC search request. *[Describe the manner by which expedited service may be requested.]*
- 113 Methods of payment. Filing fees and fees for public records services may be paid by the following methods.
- 113.1 Cash. The filing officer discourages cash payment unless made in person to the cashier at the filing office.
- 113.2 Checks. Checks made payable to the filing office, including checks in an amount to be filled in by a filing officer but not to exceed a particular amount, will be accepted for payment if they are cashier's checks or certified checks drawn on a bank acceptable to the filing office or if the drawer is acceptable to the filing office. *[Insert standards for such acceptability.]* The identity of acceptable banks will be made available to prospective filers and remitters upon request.
- 113.3 Electronic funds transfer. The filing office will accept payment via electronic funds transfer under National Automated Clearing House Association ("NACHA") rules

from remitters who have entered into appropriate NACHA-approved arrangements for such transfers and who authorize the relevant transfer pursuant to such arrangements and rules.

113.4 Prepaid account. A remitter may open an account for prepayment of filing fees by submitting an application furnished by the filing officer. Fees may be prepaid in amounts not less than \$ _____. The filing officer shall issue an account number to be used by a remitter who chooses to pay filing fees in advance. The filing officer shall deduct filing fees from the remitter's prepaid account when authorized to do so by the remitter as follows: *[describe the manner by which transactions against the prepaid account may be authorized by the remitter]*.

113.5 Debit cards. The filing office accepts payment by debit cards issued by approved debit card issuers. A current list of approved debit card issuers is available from the filing office. Remitters shall provide the filing officer with the card number, the expiration date of the card, the name of the approved card issuer, the name of the person or entity to whom the card was issued and the billing address for the card. Payment will not be deemed tendered until the issuer or its agent has confirmed to the filing office that payment will be forthcoming.

113.6 Credit card. The filing office accepts payments using credit cards issued by approved credit card issuers. A current list of approved credit card issuers is available from the filing office. Remitters shall provide the filing officer with the card number, the expiration date of the card, the name of the approved card issuer, the name of the person or entity to whom the card was issued and the billing address for the card. Payment will not be deemed tendered until the issuer or its agent has confirmed to the filing office that payment will be forthcoming.

113.7 Other account. *[Describe other methods by which filing parties may pay filing fees.]*

114 Overpayment and underpayment policies.

114.1 Overpayment. The filing officer shall refund the amount of an overpayment exceeding \$_____ to the remitter. The filing officer shall refund an overpayment of \$_____ or less only upon the written request of the remitter.

114.2 Underpayment. Upon receipt of a document with an insufficient fee, the filing officer shall do one of the following.

114.2.1 A notice of the deficiency shall be sent to the remitter and the document shall be held for a period of 10 days from the date of the notice, in anticipation of receipt of the fee. Upon receipt of the fee, the document will be filed as of the time and date of receipt of the full

filing fee. If the fee has not been received within 10 days of the date of the notice, the document shall be returned to the remitter with a written explanation for the refusal to accept the document; or

114.2.2 The document shall be returned to the remitter as provided in rule 205. A refund of a partial payment may be included with the document or delivered under separate cover.

115 Public records services. Public records services are provided on a non-discriminatory basis to any member of the public on the terms described in these rules. The following methods are available for obtaining copies of UCC documents and copies of data from the UCC information management system.

115.1 Individually identified documents. Copies of individually identified UCC documents are available in the following forms.

[Insert a description of media in which individually identified UCC documents are available, e.g. paper, TIF files.]

115.2 Bulk copies of documents. Bulk copies of UCC documents are available in the following forms.

[Insert list of media in which bulk copies of UCC documents are available, e.g. paper, microfilm, microfiche, optical media, CD-ROM.]

115.3 Data from the information management system. A list of available data elements from the UCC information management system, and the file layout of the data elements, is available from the filing officer upon request. Data from the information management system is available as follows.

115.3.1 Full extract. A bulk data extract of information from the UCC information management system is available on a weekly basis.

115.3.2 Update extracts. Updates of information from the UCC information management system are available on a *[daily, weekly]* basis.

115.3.3 Format. Extracts from the UCC information management system are available in the following formats.

[Insert description of formats.]

Magnetic tape.

Floppy discs.

Optical platters.

CD-ROM.

- 115.4 Direct on-line services. On-line services make UCC *[data, images]* available on a subscription basis. A description of subscription services is available from the filing officer.
- 116 Fees for public records services. Fees for public records services are established as follows. *[Identify the fee, or the method of calculating the fee for each service.]*
- 116.1 Paper copies of individual documents.
- 116.1.1 Regular delivery method.
- 116.1.2 Fax delivery.
- 116.2 Bulk copies of documents.
- 116.3 Data from the information management system.
- 116.3.1 Full extract.
- 116.3.2 Update extracts.
- 116.3.3 Format.
- 116.4 Third party on-line services.
- 117 New practices and technologies. The filing officer is authorized to adopt practices and procedures to accomplish receipt, processing, maintenance, retrieval and transmission of, and remote access to, Article 9 filing data by means of electronic, voice, optical and/or other technologies, and, without limiting the foregoing, to maintain and operate, in addition to or in lieu of a paper-based system, a non-paper-based Article 9 filing system utilizing any of such technologies. In developing and utilizing technologies and practices, the filing officer shall, to the greatest extent feasible, take into account compatibility and consistency with, and whenever possible be uniform with, technologies, practices, policies and regulations adopted in connection with Article 9 filing systems in other states.

Numbers 118 through 199 are reserved.

Section 2 -- Acceptance and Refusal of Documents

- 200 Policy statement. The duties and responsibilities of the filing officer with respect to the administration of the UCC are ministerial. In accepting for filing or refusing to file a UCC document pursuant to these rules, the filing officer does none of the following:
- 200.1 Determine the legal sufficiency or insufficiency of a document.
 - 200.2 Determine that a security interest in collateral exists or does not exist.
 - 200.3 Determine that information in the document is correct or incorrect, in whole or in part.
 - 200.4 Create a presumption that information in the document is correct or incorrect, in whole or in part.
- 201 Duty to file. Provided that there is no ground to refuse acceptance of the document under rule 202, a UCC document is filed upon its receipt by the filing officer with the filing fee and the filing officer shall promptly assign a file number to the UCC document and index it in the information management system.
- 202 Grounds for refusal of UCC document. The following grounds are the sole grounds for the filing officer's refusal to accept a UCC document for filing. As used herein, the term "legible" is not limited to refer only to written expressions on paper: it requires a machine-readable transmission for electronic transmissions and an otherwise readily decipherable transmission in other cases.
- 202.1 Debtor name and address. An initial financing statement or an amendment that purports to add a debtor shall be refused if the document fails to include a legible debtor name and address for a debtor, in the case of an initial financing statement, or for the debtor purporting to be added in the case of such an amendment. If the document contains more than one debtor name or address and some names or addresses are missing or illegible, the filing officer shall index the legible name and address pairings, and provide a notice to the remitter containing the file number of the document, identification of the debtor name(s) that was (were) indexed, and a statement that debtors with illegible or missing names or addresses were not indexed.
 - 202.2 Additional debtor identification. An initial financing statement or an amendment adding one or more debtors shall be refused if the document fails to identify whether each named debtor (or each added debtor in the case of such an amendment) is an individual or an organization, if the last name of each individual debtor is not identified, or if, for each debtor identified as an organization, the document does not

include in legible form the organization's type, state of organization and organization number (if it has one) or a statement that it does not have one.

- 202.3 Secured party name and address. An initial financing statement, an amendment purporting to add a secured party of record, or an assignment, shall be refused if the document fails to include a legible secured party (or assignee in the case of an assignment) name and address. If the document contains more than one secured party (or assignee) name or address and some names or addresses are missing or illegible, the filing officer shall refuse the UCC document.
- 202.4 Lack of identification of initial financing statement. A UCC document other than an initial financing statement shall be refused if the document does not provide a file number of a financing statement in the UCC information management system that has not lapsed.
- 202.5 Identifying information. A UCC document that does not identify itself as an amendment or identify an initial financing statement to which it relates, as required by UCC § 9-512, 9-514 or 9-518, is an initial financing statement.
- 202.6 Timeliness of continuation. A continuation shall be refused if it is not received during the six month period concluding on the day upon which the related financing statement would lapse.
- 202.6.1 First day permitted. The first day on which a continuation may be filed is the date of the month corresponding to the date upon which the financing statement would lapse, six months preceding the month in which the financing statement would lapse. If there is no such corresponding date during the sixth month preceding the month in which the financing statement would lapse, the first day on which a continuation may be filed is the last day of the sixth month preceding the month in which the financing statement would lapse, although filing by certain means may not be possible on such date if the filing office is not open on such date.
- 202.6.2 Last day permitted. The last day on which a continuation may be filed is the date upon which the financing statement lapses.
- 202.7 Fee. A document shall be refused if the document is accompanied by less than the full filing fee tendered by a method described in rule 113.
- 202.8 Means of communication. UCC documents communicated to the filing office by a means of communication not authorized by the filing officer for the communication of UCC documents shall be refused.

- 202.9 EDI refusal. UCC documents communicated by EDI may be refused as provided in rule 347 for reasons not applicable to other communications methods.
- 203 Grounds not warranting refusal. The sole grounds for the filing officer's refusal to accept a UCC document for filing are enumerated in rule 202. The following are examples of defects that do not constitute grounds for refusal to accept a document. They are not a comprehensive enumeration of defects outside the scope of permitted grounds for refusal to accept a UCC document for filing.
- 203.1 Errors. The UCC document contains or appears to contain a misspelling or other apparently erroneous information.
- 203.2 Incorrect names.
- 203.2.1 The UCC document appears to identify a debtor incorrectly.
- 203.2.2 The UCC document appears to identify a secured party or a secured party of record incorrectly.
- 203.3 Extraneous information. The UCC document contains additional or extraneous information of any kind.
- 203.4 Insufficient information. The UCC document contains less than the information required by Article 9 of the UCC, provided that the document contains the information required in rule 202.1 through 202.5.
- 203.5 Collateral description. The UCC document incorrectly identifies collateral, or contains an illegible or unintelligible description of collateral, or appears to contain no such description.
- 203.6 Excessive fee. The document is accompanied by funds in excess of the full filing fee.
- 204 Time limit. The filing officer shall determine whether criteria exist to refuse acceptance of a UCC document for filing not later than the second business day after the date the document would have been filed had it been accepted for filing and shall index a UCC document not so refused within the same time period.
- 205 Procedure upon refusal. If the filing officer finds grounds under rule 202 to refuse acceptance of a UCC document, the filing officer shall return the document, if written, to the remitter and will refund the filing fee. The filing office shall send a notice that contains the date and time the document would have been filed had it been accepted for filing (unless such date and time are stamped on the document), and a brief description of the reason for refusal to

accept the document under rule 202. The notice shall be sent to a secured party or the remitter as provided in rule 401.3.2 no later than the second business day after the filing office receives the document. The refund may be delivered with the notice or under separate cover.

206 Acknowledgment. At the request of a filer or remitter who files a paper or paper-based UCC document, the filing officer shall either (i) send to said filer or remitter an image of the record of the UCC document showing the file number assigned to it and the date and time of filing or, (ii) if such filer or remitter provides a copy of such UCC document, note the file number and the date and time of filing on the copy and deliver or send it to said filer or remitter. For UCC documents not filed in paper or paper-based form the filing officer shall communicate to the filer or remitter the information in the filed document, the file number and the date and time of filing.

207 Other Notices. Nothing in these rules prevents a filing officer from communicating to a filer or a remitter that the filing officer noticed apparent potential defects in a UCC document, whether or not it was filed or refused for filing. However, the filing office is under no obligation to do so and may not, in fact, have the resources to do so or to identify such defects. **THE RESPONSIBILITY FOR THE LEGAL EFFECTIVENESS OF FILING RESTS WITH FILERS AND REMITTERS AND THE FILING OFFICE BEARS NO RESPONSIBILITY FOR SUCH EFFECTIVENESS.**

208 Refusal errors. If a secured party or a remitter demonstrates to the satisfaction of the filing officer that a UCC document that was refused for filing should not have been refused under rule 202, the filing officer will file the UCC document as provided in these rules with a filing date and time assigned when such filing occurs. The filing officer will also file a statement (and such demonstration of error shall constitute the secured party's authorization to do so) that states that the effective date and time of filing is the date and time the UCC document was originally tendered for filing, and sets forth such date and time.

Numbers 209 through 299 are reserved.

Section 3 -- UCC Information Management System

300 Policy statement. The filing officer uses an information management system to store, index, and retrieve information relating to financing statements. The information management system includes an index of the names of debtors named on financing statements which have not lapsed. The rules in this section describe the UCC information management system.

301 Primary data elements. The primary data elements used in the UCC information management system are the following.

301.1 Identification numbers.

301.1.1 Each initial financing statement is identified by its file number as described in rule 101.5. Identification of the initial financing statement is stamped on written UCC documents or otherwise permanently associated with the record maintained for UCC documents in the UCC information management system. A record is created in the information management system for each initial financing statement and all information comprising such record is maintained in such system. Such record is identified by the same information assigned to the initial financing statement.

301.1.2 A UCC document other than an initial financing statement is identified by a unique file number assigned by the filing officer. In the information management system, records of all UCC documents other than initial financing statements are linked to the record of their related initial financing statement.

301.2 Type of document. The type of UCC document from which data is transferred is identified in the information management system from information supplied by the remitter.

301.3 Filing date and filing time. The filing date and filing time of UCC documents are stored in the information management system. Calculation of the lapse date of an initial financing statement is based upon the filing date.

301.4 Identification of parties. The names and addresses of debtors and secured parties are transferred from UCC documents to the UCC information management system using one or more data entry or transmittal techniques.

301.5 Status of financing statement. In the information management system, each financing statement has a status of active or inactive.

301.6 Page count. The total number of pages in a UCC document is maintained in the information management system.

301.7 Lapse indicator. An indicator is maintained by which the information management system identifies whether or not a financing statement will lapse and, if it does, when it will lapse. The lapse date is determined as provided in rule 404.

302 Names of debtors who are individuals. For the purpose of this rule, "individual" means a human being, or a decedent in the case of a debtor that is such decedent's estate. This rule applies to the name of a debtor or a secured party on a UCC document who is an individual.

302.1 Individual name fields. The names of individuals are stored in files that include only the names of individuals, and not the names of organizations. Separate data entry fields are established for first (given), middle (given), and last names (surnames or family names) of individuals. A filer should place the name of a debtor with a single name (e.g., "Cher") in the last name field. The filing officer assumes no responsibility for the accurate designation of the components of a name but will accurately enter the data in accordance with the filer's designations.

302.2 Titles and prefixes before names. Titles and prefixes, such as "doctor," "reverend," "Mr.," and "Ms.," should not be entered in the UCC information management system. However, as provided in rule 407, when a UCC document is submitted with designated name fields, the data will be entered in the UCC information management system exactly as it appears.

302.3 Titles and suffixes after names. Titles or indications of status such as "M.D." and "esquire" are not part of an individual's name and should not be provided by filers in UCC documents. Suffixes that indicate which individual is being named, such as "senior," "junior," "I," "II," and "III," are appropriate. In either case, as provided in rule 407, they will be entered into the information management system exactly as received.

302.4 Truncation - individual names. Personal name fields in the UCC database are fixed in length. Although filers should continue to provide full names on their UCC documents, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the data entry field. The length of data entry name fields are as follows.

302.4.1 First name: __ characters.

302.4.2 Middle name: __ characters.

302.4.3 Last name: __ characters.

302.4.4 Suffix: __ characters.

303 Names of debtors that are organizations. This rule applies to the name of an organization who is a debtor or a secured party on a UCC document.

- 303.1 Single field. The names of organizations are stored in files that include only the names of organizations and not the names of individuals. A single field is used to store an organization name.
- 303.2 Truncation -organization names. The organization name field in the UCC database is fixed in length. The maximum length is __ characters. Although filers should continue to provide full names on their UCC documents, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the data entry field.
- 304 Estates. Although they are not human beings, estates are treated as if the decedent were the debtor under rule 302.
- 305 Trusts. If the trust is named in its organic document(s), its full legal name, as set forth in such document(s), is used. Such trusts are treated as organizations. If the trust is not so named, the name of the settlor is used. If a settlor is indicated to be an organization, the name is treated as an organization name. If the settlor is an individual, the name is treated as an individual name. A UCC document that uses a settlor's name should include other information provided by the filer to distinguish the debtor trust from other trusts having the same settlor and all financing statements filed against trusts or trustees acting with respect to property held in trust should indicate the nature of the debtor. If this is done in, or as part of, the name of the debtor, it will be entered as if it were a part of the name under rules 407 and 408.
- 306 Initial financing statement. Upon the filing of an initial financing statement the status of the parties and the status of the financing statement shall be as follows.
- 306.1 Status of secured party. Each secured party named on an initial financing statement shall be a secured party of record, except that if the UCC document names an assignee, the secured party/assignor shall not be a secured party of record and the secured party/assignee shall be a secured party of record.
- 306.2 Status of debtor. The status of a debtor named on the document shall be active and shall continue as active until one year after the financing statement lapses.
- 306.3 Status of financing statement. The status of the financing statement shall be active. A lapse date shall be calculated, five years from the file date, unless the initial financing statement indicates that it is filed with respect to a public-financing transaction or a manufactured-home transaction, in which case the lapse date shall be thirty years from the file date, or if the initial financing statement indicates that it is filed against a transmitting utility, in which case there shall be no lapse date. A

financing statement remains active until one year after it lapses, or if it is indicated to be filed against a transmitting utility, until one year after it is terminated with respect to all secured parties of record.

307 Amendment. Upon the filing of an amendment the status of the parties and the status of the financing statement shall be as follows.

307.1 Status of secured party and debtor. An amendment shall affect the status of its debtor(s) and secured party(ies) as follows:

307.1.1 Collateral amendment or address change. An amendment that amends only the collateral description or one or more addresses has no effect upon the status of any debtor or secured party. If a statement of amendment is authorized by less than all of the secured parties (or, in the case of an amendment that adds collateral, less than all of the debtors), the statement affects only the interests of each authorizing secured party (or debtor).

307.1.2 Debtor name change. An amendment that changes a debtor's name has no effect on the status of any debtor or secured party, except that the related initial financing statement and all UCC documents that include an identification of such initial financing statement shall be cross-indexed in the UCC information management system so that a search under either the debtor's old name or the debtor's new name will reveal such initial financing statement and such related UCC documents. Such a statement of amendment affects only the rights of its authorizing secured party(ies).

307.1.3 Secured party name change. An amendment that changes the name of a secured party has no effect on the status of any debtor or any secured party, but the new name is added to the index as if it were a new secured party of record.

307.1.4 Addition of a debtor. An amendment that adds a new debtor name has no effect upon the status of any party to the financing statement, except the new debtor name shall be added as a new debtor on the financing statement. The addition shall affect only the rights of the secured party(ies) authorizing the statement of amendment.

307.1.5 Addition of a secured party. An amendment that adds a new secured party shall not affect the status of any party to the financing statement, except that the new secured party name shall be added as a new secured party on the financing statement.

307.1.6 Deletion of a debtor. An amendment that deletes a debtor has no effect on the status of any party to the financing statement, even if the amendment purports to delete all debtors.

307.1.7 Deletion of a secured party. An amendment that deletes a secured party of record has no effect on the status of any party to the financing statement, even if the amendment purports to delete all secured parties of record.

307.2 Status of financing statement. An amendment shall have no effect upon the status of the financing statement, except that a continuation may extend the period of effectiveness of a financing statement.

308 Assignment of powers of secured party of record.

308.1 Status of the parties. An assignment shall have no effect on the status of the parties to the financing statement, except that each assignee named in the assignment shall become a secured party of record.

308.2 Status of financing statement. An assignment shall have no effect upon the status of the financing statement.

309 Continuation.

309.1 Continuation of lapse date. Upon the timely filing of one or more continuations by any secured party(ies) of record, the lapse date of the financing statement shall be postponed for five years.

309.2 Status of parties. The filing of a continuation shall have no effect upon the status of any party to the financing statement.

309.3 Status of financing statement. Upon the filing of a continuation statement, the status of the financing statement remains active.

310 Termination.

310.1 Status of parties. The filing of a termination shall have no effect upon the status of any party to the financing statement.

310.2 Status of financing statement. A termination shall have no effect upon the status of the financing statement and the financing statement shall remain active in the information management system until one year after it lapses, unless the termination relates to a financing statement that indicates it is filed against a transmitting utility, in which case the financing statement will become inactive one year after it is terminated with respect to all secured parties of record.

311 Correction statement.

311.1 Status of parties. The filing of a correction statement shall have no effect upon the status of any party to the financing statement.

311.2 Status of financing statement. A correction statement shall have no effect upon the status of the financing statement.

312 Procedure upon lapse. If there is no timely filing of a continuation with respect to a financing statement, the financing statement lapses on its lapse date but no action is then taken by the filing office. On the first anniversary of such lapse date, the information management system renders or is caused to render the financing statement inactive and the financing statement will no longer be made available to a searcher unless inactive statements are requested by the searcher and the financing statement is still retrievable by the information management system.

Numbers 313 through 339 are reserved.

XML Documents

- 340 Definitions. For the purpose of rules relating to the electronic transmission of UCC documents, the following terms shall have the meaning provided in this rule.
- 340.1 "XML" means _____ language for programming_____.
- 340.2 "XML document" means a UCC document transmitted from a remitter to the filing officer by XML techniques authorized under this rule.
- 341 XML authorized. A remitter may be authorized for XML transmission upon the written authorization of the filing officer. The filing officer shall authorize a remitter to engage in XML transmissions if (a) the remitter holds an account for the billing of fees by the filing officer, (b) the remitter has entered into a trading partner agreement, in form and substance satisfactory to the filing officer, with the filing office, and (c) the filing officer determines, after appropriate testing of transmissions in accordance with the filing officer's specifications, that the remitter is capable of transmitting XML documents in a manner that permits the filing officer to receive, index, and retrieve the XML documents. The filing officer may suspend or revoke the authorization when, in the filing officer's sole discretion, it is determined that a remitter's transmissions are incompatible with the filing officer's XML system. A request to be authorized to transmit XML documents shall be in writing and delivered to the filing officer. Upon receipt of a request for authorization, the filing officer shall provide the remitter with necessary information on the requirements for XML transmission, including format, address for transmission, and other necessary specifications.
- 342 IACA standard adopted. The [XML Format], as adopted by the International Association of Corporation Administrators and in effect from time to time, is adopted in this state as a format for electronic transmission of UCC documents, although the filing officer shall, periodically and at the request of an authorized XML remitter, identify which versions and releases of the XML Format are then in use by and acceptable to the filing office.
- 343 Implementation Guide. The filing office publishes an implementation guide that prescribes in further detail the use of the [XML Format] in the UCC filing system. The guide is available upon request made in writing to the filing office at its mailing address set forth above.
- 343.1 The guide identifies the version(s) or release(s) of the [XML Format] currently in use by the filing office.

- 343.2 The guide identifies the types of UCC documents and related responses that can currently be transmitted through XML.
- 343.3 The guide prescribes the manner of transmission of all information contained in a UCC document and any other information required for the filing office to fulfill its responsibilities under the UCC and these rules, including identification of UCC documents, information necessary to collect fees, identification of debtors and secured parties, description of collateral and the authentication of UCC documents.
- 343.4 The guide may be amended from time to time. Notice of amendments will be provided to each remitter authorized to transmit XML documents to the filing office not less than thirty (30) days prior to the effectiveness of the relevant amendment(s).
- 344 Document types. An EDI document shall be identified as to type by the transmission of the appropriate identifier required in the implementation guide referred to in rule 343. The filing officer, in responding to a request for a paper copy of an XML document, shall print the data included in the XML document requested on the relevant form set forth in UCC § 9-521 for such XML document.
- 345 Refusal of XML document. A record transmitted to the filing officer that is not machine-readable, has been refused under rule 202, or does not contain the information required by the implementation guide referred to in rule 343 in an acceptable format shall be refused. The filing officer shall provide regularly scheduled (not less frequently than daily) electronic notices to the relevant remitter containing identification of XML documents refused and appropriate error codes or explanations for the refusal as provided in rule 205 when possible. However, records that cannot be read because they are garbled or are in improperly structured data packets, or which are received from persons not authorized for XML by the filing office will not receive a refusal response. Readable transmissions from authorized transmitters will generate electronic confirmation of acceptance or rejection. *[It is recommended that error codes should be uniform and they should cover XML transmission errors as well as the grounds for refusal of a filing set forth in rule 202.]*
- 346 Acceptance and archives. An XML document is not accepted for filing at the time it is received by the filing office. It is accepted only after it is analyzed by the filing office's XML system and it is determined that the XML document is machine-readable and all required elements of the transmission have been received in an approved format. Upon acceptance of an XML document for filing, a report shall automatically be generated which shall contain all of the information related to the document including all information transmitted by the remitter for inclusion in the document as prescribed by the implementation guide referred to in rule 343. The information contained in the report shall promptly be rendered and stored in a record. The filing officer shall provide regularly scheduled (not less frequently than daily)

electronic notices to remitters of accepted E XML documents to confirm such acceptance and the creation of such record.

347 XML UCC search requests.

347.1 UCC search requests may be submitted electronically by persons authorized to submit XML documents in the manner set forth in the implementation guide referred to in rule 343. Unless otherwise specified in said implementation guide, accepted requests will generate searches conducted under the same search criteria applicable to search requests not submitted electronically.

347.2 Electronic search requests may be submitted only by persons who are authorized to transmit XML documents pursuant to rule 341 and who have entered into arrangements acceptable to the filing officer for the payment of search and copy fees.

347.3 Responses to electronic search requests will be made available electronically as soon as practicable, in a manner to be specified in the implementation guide referred to in rule 343. Such responses may, for a time, be limited to a search report with copies of reported documents being made available by non-electronic means. Until such time as electronic responses are available in any form, responses to electronic search requests will be generated and transmitted in the same manner and by the same means as responses to non-electronic search requests.

348 One-debtor limitation. At the present time, an XML document may not name more than one debtor. An XML document that purports to name more than one debtor on a single name field will be treated as having named a single debtor with the name as set forth in the relevant field. Multi-debtor UCC documents may be filed only by using other methods of communication with the filing office.

[**EDI Documents**

350 Definitions. For the purpose of rules relating to the electronic data interchange of documents, the following terms shall have the meanings provided in this rule, unless the context otherwise requires.

350.1 "EDI" means the electronic data interchange of UCC documents, UCC search requests and related responses.

350.2 "EDI document" means a UCC document transmitted from a remitter to the filing officer by EDI techniques authorized under this rule.

- 351 EDI authorized. A remitter may be authorized for EDI upon the written authorization of the filing officer. The filing officer shall authorize a remitter to engage in EDI if (a) the remitter holds an account for the billing of fees by the filing officer, (b) the remitter has entered into a trading partner agreement, in form and substance satisfactory to the filing officer, with the filing office, and (c) the filing officer determines, after appropriate testing of transmissions in accordance with the filing officer's specifications, that the remitter is capable of transmitting EDI documents in a manner that permits the filing officer to receive, index, and retrieve the EDI documents. The filing officer may suspend or revoke the authorization when, in the filing officer's sole discretion, it is determined that a remitter's transmissions are incompatible with the filing officer's EDI system. A request to be authorized to transmit EDI documents shall be in writing and delivered to the filing officer. Upon receipt of a request for authorization, the filing officer shall provide the remitter with necessary information on the record layout of the transmission, including record length, format, network address for transmission, and other necessary specifications.
- 352 ANSI standard adopted. ANSI X12 transaction set 154, as adopted by the American National Standards Institute and in effect from time to time, is adopted in this state as the format for electronic transmission of UCC documents, although the filing officer shall, periodically and at the request of an authorized EDI remitter, identify which versions and releases of ANSI X12 154 are then in use by and acceptable to the filing office.
- 353 Implementation Guide. The filing office publishes an implementation guide that prescribes in further detail the use of ANSI X12 154 in the UCC filing system. The guide is available upon request made in writing to the filing office at its mailing address set forth above.
- 353.1 The guide identifies the version(s) or release(s) of ANSI X12 154 currently in use by the filing office.
- 353.2 The guide identifies the types of UCC documents and related responses that can currently be transmitted through EDI.
- 353.3 The guide prescribes the manner of transmission of all information contained in a UCC document and any other information required for the filing office to fulfill its responsibilities under the UCC and these rules, including identification of UCC documents, information necessary to collect fees, identification of debtors and secured parties, description of collateral and the authentication of UCC documents.
- 353.4 The guide may be amended from time to time. Notice of amendments will be provided to each remitter authorized to transmit EDI documents to the filing office not less than thirty (30) days prior to the effectiveness of the relevant amendment(s).

354 Collateral codes. For the purpose of EDI documents, a collateral code is a symbol adopted by rule by the filing officer standing for a description of collateral. Remitters authorized for EDI may petition the filing officer to adopt by rule a collateral code to correspond with the desired collateral description. The filing officer, in responding to a request for a copy of an EDI document, shall print or transmit the full text of the collateral description corresponding to the collateral code. The following collateral codes are adopted.

354.1 [Code] [Text of collateral description.]

354.2 [Code] [Text of collateral description.]

354.3 [Code] [Text of collateral description.]

355 Document types. An EDI document shall be identified as to type by the transmission of the appropriate identifier required in the implementation guide referred to in rule 343. The filing officer, in responding to a request for a paper copy of an EDI document, shall print the full text of the relevant one of the following statements corresponding to the type of EDI document requested.

355.1 For an initial financing statement: "Financing Statement -- This financing statement is presented to the filing officer for filing pursuant to the Uniform Commercial Code."

355.2 For a statement of amendment financing statement: "Amendment -- The financing statement bearing the file number shown on this document is hereby amended as follows."

355.3 For an amended and restated financing statement: "Amendment -- The financing statement bearing the file number shown on this document is hereby amended and restated in its entirety as follows:"

355.4 For a statement of assignment of an interest in collateral: "Assignment -- The secured party certifies that the assignee named in this document has been assigned some or all of the secured party's rights under the financing statement bearing the file number transmitted in this document."

355.5 For a continuation statement: "Continuation -- This continuation statement is being filed to continue the effectiveness of the financing statement bearing the file number transmitted in this document."

355.6 For a termination statement: "Termination -- The secured party certifies that the financing statement bearing the file number transmitted in this document is no longer effective with respect to such secured party."

- 355.7 For a correction statement: "Correction -- The filer believes that the information contained in the financing statement is inaccurate or the financing statement was wrongfully filed."
- 356 Identification of secured party. When an EDI document requires the name of a secured party, the name of a secured party of record, or the address of a secured party, the remitter shall transmit to the filing officer a secured party identification number assigned by the filing officer if such a number is assigned. The filing officer, in responding to a request for a paper copy of an EDI document, shall print the full name and address of the secured party corresponding to the identification number. A list of secured parties identified by the filing officer pursuant to this rule is available from the filing office.
- 357 Refusal of EDI document. A record transmitted to the filing officer that is not machine-readable, has been refused under rule 202, or does not contain the information required by the implementation guide referred to in rule 353 in an acceptable format shall be refused. The filing officer shall provide regularly scheduled (not less frequently than daily) electronic notices to the relevant remitter containing identification of EDI documents refused and appropriate error codes or explanations for the refusal as provided in rule 205 when possible. However, records that cannot be read because they are garbled or are in improperly structured data packets, or which are received from persons not authorized for EDI by the filing office will not receive a refusal response. Readable transmissions from authorized transmitters will generate electronic confirmation of acceptance or rejection. *[It is recommended that error codes should be uniform and they should cover EDI transmission errors as well as the grounds for refusal of a filing set forth in rule 202.]*
- 358 Acceptance and archives. Upon acceptance of an EDI document for filing, a report shall automatically be generated which shall contain all of the information related to the document including all information transmitted by the remitter for inclusion in the document as prescribed by the implementation guide referred to in rule 353. The information contained in the report shall promptly be rendered and stored in a record. The filing officer shall provide regularly scheduled (not less frequently than daily) electronic notices to remitters of accepted EDI documents to confirm such acceptance and the creation of such record.

359 EDI UCC search requests.

359.1 UCC search requests may be submitted electronically by persons authorized to submit EDI documents in the manner set forth in the implementation guide referred to in rule 353. Unless otherwise specified in said implementation guide, accepted requests will generate searches conducted under the same search criteria applicable to search requests not submitted electronically.

359.2 Electronic search requests may be submitted only by persons who are authorized to transmit EDI documents pursuant to rule 351 and who have entered into arrangements acceptable to the filing officer for the payment of search and copy fees.

359.3 Responses to electronic search requests will be made available electronically as soon as practicable, in a manner to be specified in the implementation guide referred to in rule 353. Such responses may, for a time, be limited to a search report with copies of reported documents being made available by non-electronic means. Until such time as electronic responses are available in any form, responses to electronic search requests will be generated and transmitted in the same manner and by the same means as responses to non-electronic search requests.]

Rules 351 through 369 are reserved.

Direct On-line (Non-XML [orEDI]) Data Entry Procedures

370 Definitions. *[Insert definitions needed for rules 371 and 372.]*

371 Document filing procedures. *[Describe procedures whereby remitters may obtain and use on-line access to make filings. It is anticipated that filing offices that will permit web page access will describe that process, including fee payment procedures, here.]*

372 Search request procedures. *[Describe procedures whereby remitters may obtain and use on-line access to request searches. It is anticipated that filing offices that will permit web page access will describe that process, including fee payment procedures, here.]*

Numbers 373 through 399 are reserved.

Section 4 -- Filing and Data Entry Procedures

400 Policy statement. This section contains rules describing the filing procedures of the filing officer upon and after receipt of a UCC document. It is the policy of the filing officer to file promptly file a document that conforms to these rules. Except as provided in these rules, data are transferred from a UCC document to the information management system exactly as the data are set forth in the document. Personnel who create reports in response to search requests type search criteria exactly as set forth on the search request. No effort is made to detect or correct errors of any kind.

401 Document indexing and other procedures before archiving.

Note: This section should contain a chronological description of the indexing procedures and correspondence procedures followed by the filing officer prior to archiving a UCC document or returning the UCC document to the remitter.

401.1 Date and time stamp. The date and time of receipt are noted on the document or otherwise permanently associated with the record maintained for a UCC document in the UCC information management system at the earliest possible time.

401.2 Cash management. Transactions necessary to payment of the filing fee are performed. *[Describe data entry techniques, such as bar codes, etc.]*

401.3 Document review. The filing office determines whether a ground exists to refuse the document under rule 202.

401.3.1 File stamp. If there is no ground for refusal of the document, the document is stamped or deemed filed and a unique identification number and the filing date is stamped on the document or permanently associated with the record of the document maintained in the UCC information management system. The sequence of the identification number is not an indication of the order in which the document was received.

401.3.2 Correspondence. If there is a ground for refusal of the document, notification of refusal to accept the document is prepared as provided in rule 205. If there is no ground for refusal of the document, an acknowledgment of filing is prepared as provided in rule 206. If the UCC document was tendered in person notice of refusal or acknowledgment of the filing is given to the remitter by personal delivery. If the UCC document was tendered by EDI transmission or on-line access, such notice or acknowledgment is transmitted to the remitter by EDI transmission or on-line response by transmitting an

identification known to the remitter of the UCC document filed as well as the information required by rule 205 or rule 206. Acknowledgment of filing or notice of refusal of a UCC document tendered by means other than personal delivery, EDI transmission or on-line transmission is sent to the secured party (or the first secured party if there are more than one) named on the UCC document or to the remitter if the remitter so requests by regular mail or by overnight courier if the remitter provides a prepaid waybill or access to the remitter's account with the courier.

401.4 Data entry. Data entry and indexing functions are performed as described in this section.

402 Filing date. The filing date of a UCC document is the date the UCC document is received with the proper filing fee if the filing office is open to the public on that date or, if the filing office is not so open on that date, the filing date is the next date the filing office is so open, except that, in each case, UCC documents received after 5:00 P.M. shall be deemed received on the following day. The filing officer may perform any duty relating to the document on the filing date or on a date after filing date.

403 Filing time. The filing time of a UCC document is determined as provided in rule 106.

404 Lapse date and time. A lapse date is calculated for each initial financing statement (unless the debtor is indicated to be a transmitting utility). The lapse date is the same date of the same month as the filing date in the fifth year after the filing date or relevant subsequent fifth anniversary thereof if timely continuation statement is filed, but if the initial financing statement indicates that it is filed with respect to a public-finance transaction or a manufactured-home transaction, the lapse date is the same date of the same month as the filing date in the thirtieth year after the filing date. The lapse takes effect at midnight at the end of the lapse date. The relevant anniversary for a February 29 filing date shall be the March 1 in the fifth year following the year of the filing date.

405 Errors of the filing officer. The filing office may correct the errors of filing officer personnel in the UCC information management system at any time. If the correction is made after the filing officer has issued a certification date that includes the filing date of a corrected document, the filing officer shall proceed as follows. A record relating to the relevant initial financing statement will be placed in the UCC information management system stating the date of the correction and explaining the nature of the corrective action taken. The record shall be preserved for so long as the record of the initial financing statement is preserved in the UCC information management system.

- 406 Errors other than filing office errors. An error by a filer is the responsibility of such filer. It can be corrected by filing an amendment or it can be disclosed by a correction statement.
- 407 Data entry of names - designated fields. A filing should designate whether a name is a name of an individual or an organization and, if an individual, also designates the first, middle and last names and any suffix. When this is done, the following rules shall apply.
- 407.1 Organization names. Organization names are entered into the UCC information management system exactly as set forth in the UCC document, even if it appears that multiple names are set forth in the document or if it appears that the name of an individual has been included in the field designated for an organization name.
- 407.2 Individual names. On a form that designates separate fields for first, middle, and last names and any suffix, the filing officer enters the names into the first, middle, and last name and suffix fields in the UCC information management system exactly as set forth on the form.
- 407.3 Designated fields encouraged. The filing office encourages the use of forms that designate separate fields for individual and organization names and separate fields for first, middle, and last names and any suffix. Such forms diminish the possibility of filing office error and help assure that filers' expectations are met. However, filers should be aware that the inclusion of names in an incorrect field or failures to transmit names accurately to the filing office may cause filings to be ineffective. All documents submitted through direct data entry or through EDI will be required to use designated name fields.
- 408 Data entry of names - no designated fields. A UCC document that is an initial financing statement or an amendment that adds a debtor to a financing statement and that fails to specify whether the debtor is an individual or an organization should be refused by the filing office. If it is accepted for filing in error, the following rules shall apply.
- 408.1 Identification of organizations. When not set forth in a field designated for individual names, a name is treated as an organization name if it contains words or abbreviations that indicate status such as the following and similar words or abbreviations in foreign languages: association, church, college, company, co., corp., corporation, inc., limited, ltd., club, foundation, fund, L.L.C., limited liability company, institute, society, union, syndicate, GmbH, S.A. de C.V., limited partnership, L.P., limited liability partnership, L.L.P., trust, business trust, co-op, cooperative and other designations established by statutes to indicate a statutory organization. In cases where organization or individual status is not designated by the filer and is not clear, the filing officer will use their own judgment.

- 408.2 Identification of individuals. A name is entered as the name of an individual and not the name of an organization when the name is followed by a title substantially similar to one of the following titles, or the equivalent of one of the following titles in a foreign language: proprietor, sole proprietor, proprietorship, sole proprietorship, partner, general partner, president, vice president, secretary, treasurer, M.D., O.D., D.D.S., attorney at law, Esq., accountant, CPA. In such cases, the title is not entered.
- 408.3 Individual and organization names on a single line. Where it is apparent that the name of an individual and the name of an entity are stated on a single line and not in a designated individual name field, the name of the individual and the name of the entity shall be entered as two separate debtors, one as an individual and one as an entity. Additional filing fees for the additional debtor name(s) may be required.
- 408.4 Individual names. The failure to designate the last name of an individual debtor in an initial financing statement or an amendment adding such debtor to a financing statement should cause a filing to be refused. If the filing is accepted in error, or if only the last name is designated, the following data entry rules apply.
- 408.4.1 Freestanding initials. An initial in the first position of the name is treated as a first name. An initial in the second position of the name is treated as a middle name.
- 408.4.2 Combined initials and names. An initial and a name to which the initial apparently corresponds is entered into one name field only [*e.g. "D. (David)" in the name "John D. (David) Rockefeller" is entered as "John" (first name); "D. (David)" (middle name); "Rockefeller" (last name)*].
- 408.4.3 Multiple individual names on a single line. Two individual names contained in a single line are entered as two, different debtors [*e.g. the debtor name "John and Mary Smith" is entered as two debtors: "John Smith", and "Mary Smith"*].
- 408.4.4 One word names. A one word name is entered as a last name [*e.g. "Cher" is treated as a last name*].
- 408.4.5 Nicknames. A nickname is entered in the name field together with the name preceding the nickname, or if none, then as the first name (e.g., "William (Bill) Jones").
- 409 Verification of data entry. The filing officer uses the following procedures to verify the accuracy of data entry tasks. [*Insert description of double key entry procedures, visual inspection, and any other verification technique employed by the filing officer. It is strongly*

recommended that double blind keying be used for debtor names for written UCC documents and other situations where direct entry by the filer is not accomplished.]

409.1 Double key entry is employed for data entered in the following fields.

- 409.1.1 Document identification fields.
- 409.1.2 Document type fields.
- 409.1.3 Name fields.
- 409.1.4 Address fields.

409.2 Visual inspection of data entry changes is employed for data in the following fields.

- 409.2.1 _____.
- 409.2.2 _____.

410 Initial financing statement. A new record is opened in the UCC information management system for each initial financing statement that bears the file number of the financing statement and the date and time of filing.

410.1 The name and address of each debtor that are legibly set forth in the financing statement are entered into the record of the financing statement. Each such debtor name is included in the searchable index and is not removed until one year after the financing statement lapses. Debtor addresses might not be included in the searchable index except to the extent the filing office offers or intends to offer limited searches or limited copy requests as provided in rule 502.

410.2 The name and address of each secured party that are legibly set forth in the financing statement are entered into the record of the financing statement.

410.3 The record is indexed according to the name of the debtor(s) and is maintained for public inspection.

410.4 A lapse date is established for the financing statement, unless the initial financing statement indicates it is filed against a transmitting utility, and the lapse date is maintained as part of the record.

411 Amendment. A record is created for the amendment that bears the file number for the amendment and the date and time of filing.

411.1 The record of the amendment is associated with the record of the related initial financing statement in a manner that causes the amendment to be retrievable each time a record of the financing statement is retrieved.

- 411.2 The name and address of each additional debtor and secured parties are entered into the UCC information management system in the record of the financing statement. Each such additional debtor name is added to the searchable index and are not removed until one year after the financing statement lapses. Debtor addresses might not be included in the searchable index except to the extent the filing office offers or intends to offer limited searches or limited copy requests as provided in rule 502.
- 411.3 If the amendment is a continuation, a new lapse date is established for the financing statement and maintained as part of its record.
- 412 Correction statement. A record is created for the correction statement that bears the file number for the correction statement and the date and time of filing. The record of the correction statement is associated with the record of the related initial financing statement in a manner that causes the correction statement to be retrievable each time a record of the financing statement is retrieved.
- 413 Global filings.
- 413.1 The filing officer may accept for filing a single UCC document for the purpose of amending more than one financing statement, for one or both of the following purposes: amendment to change secured party name; amendment to change secured party address.
- 413.2 A blanket filing shall consist of a written document describing the requested amendment on a form approved by the filing office, and a machine readable file furnished by the remitter and created to the filing officer's specifications containing appropriate indexing information. A copy of blanket filing specifications is available from the filing officer upon request. Acceptance of a blanket filing is conditioned upon the determination of the filing officer in the filing officer's sole discretion.

414 Archives - general.

[Insert rules regarding the maintenance of archives of inactive financing statements and the ability of those archives to be searched. It is recommended that archived records be maintained for at least five years . Note that under UCC § 9-522, a financing statement remains active and searchable (by routine searches) for one year after it lapses.]

414.1 Paper UCC documents.

414.1.1 Storage. *[Describe the manner of paper storage.]*

414.1.2 Retention. *[Describe the duration of retention.]*

414.2 Reductions.

414.2.1 Storage. *[Describe the methods of reducing paper documents to other media, such as microfilm, microfiche, optical storage, CD-ROM.]*

414.2.2 Retention. *[Describe the duration of retention.]*

414.3 Databases. *[Describe the methods of backing up electronic data with tape or other permanent retrievable records.]*

415 Archives - data retention. Data in the UCC information management system relating to financing statements that have lapsed are retained for five years from the date of lapse. Such data will be maintained in the system for one year from the date of lapse and will thereafter be maintained in archives.

416 Archival Searches. *[Describe means by which archived records can be searched and related fees. It is recommended that terminated and lapsed filings be searchable on request for six months through normal search procedures.]*

417 Notice of bankruptcy. The filing officer takes no action upon receipt of a notification, formal or informal, of a bankruptcy proceeding involving a debtor named in the UCC information management system. Accordingly, financing statements will lapse in the as scheduled unless properly continued.

Numbers 418 through 499 are reserved.

Section 5 -- Search Requests and Reports

- 500 General requirements. The filing officer maintains for public inspection a searchable index for all records of UCC documents that provides for the retrieval of a record by the name of the debtor and by the file number of the initial financing statement to which the record relates and which associates with one another each initial financing statement and each filed UCC document relating to the initial financing statement.
- 501 Search requests. Search requests shall contain the following information.
- 501.1 Name searched. A search request should set forth the full correct name of a debtor or the name variant desired to be searched and must specify whether the debtor is an individual or an organization. The full name of an individual shall consist of a first name, a middle name or initial, and a last name, although a search request may be submitted with no middle name or initial and, if only a single name is presented (e.g., “Cher”) it will be treated as a last name. The full name of an organization shall consist of the name of the organization as stated on the articles of incorporation or other organic documents in the state or country of organization or the name variant desired to be searched. A search request will be processed using the name in the exact form it is submitted.
- 501.2 Requesting party. The name and address of the person to whom the search report is to be sent.
- 501.3 Fee. The appropriate fee shall be enclosed, payable by a method described in rule 113.
- 501.4 Search request with filing. If a filer requests a search at the time a UCC document is filed, by checking the box on the form set forth in UCC § 9-521 or otherwise, the name to be searched will be the debtor name as set forth on the form, the requesting party will be the remitter of the UCC document, and the search request will be deemed to request a search that would be effective to retrieve all financing statements filed on or prior to the date the UCC document is filed.
- 502 Optional information. A UCC search request may contain any of the following information.
- 502.1 A request that copies of documents referred to in the report be included with the report. The request may limit the copies requested by limiting them by reference to [the address of the debtor,] the city of the debtor, the date of filing (or a range of filing dates) or the identity of the secured party(ies) of record on the financing statements located by the related search. The request may ask for copies of UCC documents identified on the primary search response.

- 502.2 A request that the search of a debtor name be limited to debtors in a particular city. A report created by the filing officer in response to such a request shall contain the following statement:
- "A search limited to a particular city may not reveal all filings against the debtor searched and the searcher bears the risk of relying on such a search."
- 502.3 Instructions on the mode of delivery requested, if other than by ordinary mail, which request will be honored if the requested mode is then made available by the filing office.
- 503 Rules applied to search requests. Search results are created by applying standardized search logic to the name presented to the filing officer by the person requesting the search. Human judgment does not play a role in determining the results of the search. The following, and only the following rules are applied to conduct searches.
- 503.1 There is no limit to the number of matches that may be returned in response to the search criteria.
- 503.2 No distinction is made between upper and lower case letters.
- 503.3 Punctuation marks and accents are disregarded.
- 503.4 Words and abbreviations at the end of a name that indicate the existence or nature of an organization as set forth in the "Ending Noise Words" list as promulgated and adopted by the International Association of Corporation Administrators as from time to time, are disregarded (e.g., company, limited, incorporated, corporation, limited partnership, limited liability company or abbreviations of the foregoing).
- 503.5 The word "the" at the beginning of the search criteria is disregarded.
- 503.6 All spaces are disregarded.
- 503.7 For first and middle names of individuals, initials are treated as the logical equivalent of all names that begin with such initials, and no middle name or initial is equated with all middle names and initials. For example, a search request for "John A. Smith" would cause the search to retrieve all filings against all individual debtors with "John" as the first name, "Smith" as the last name, and with the initial "A" or any name beginning with "A" in the middle name field. If the search request were for "John Smith" (first and last names with no designation in the middle name field), the search would retrieve all filings against individual debtors with "John" as the first name, "Smith" as the last name and with any name or initial or no name or initial in the middle name field.

503.8 After taking the preceding rules into account to modify the name of the debtor requested to be searched and to modify the names of debtors contained in active financing statements in the UCC information management system, the search will reveal only names of debtors that are contained in active financing statements and, as modified, exactly match the name requested, as modified.

504 Search responses. Reports created in response to a search request shall include the following.

504.1 Filing officer. Identification of the filing officer and the certification of the filing officer required by the UCC.

504.2 Report date. The date the report was generated.

504.3 Name searched. Identification of the name searched.

504.4 Certification date. The certification date applicable to the report; i.e., the date and time through the search is effective to reveal all relevant UCC documents filed on or prior to that date.

504.5 Identification of initial financing statements. Identification of each unlapsed initial financing statement filed on or prior to the certification date and time corresponding to the search criteria, by name of debtor, by identification number, and by file date and file time.

504.6 History of financing statement. For each initial financing statement on the report, a listing of all related UCC documents filed by the filing officer on or prior to the certification date.

504.7 Copies. Copies of all UCC documents revealed by the search and requested by the searcher.

Numbers 506 through 599 are reserved.

Section 6 -- Other Notices of Liens

600 Policy statement. The purpose of rules in this section is to describe records of liens maintained by the filing office created pursuant to statutes other than the UCC that are treated by the filing officer in a manner substantially similar to UCC documents and are included on request with the reports described in rules 504 and 505.

601 Notice of federal tax lien.

601.1 Filing.

601.1.1 Where to file.

601.1.2 Fee.

601.1.3 Duration.

601.2 Mechanics of search.

601.2.1 Fee for search.

601.2.2 Search available with UCC search

602 Notice of state tax lien.

602.1 Filing.

602.1.1 Where to file.

602.1.2 Fee.

602.1.3 Duration.

602.2 Mechanics of search.

602.2.1 Fee for search.

602.2.2 Search available with UCC search.

603 Notice of other lien in favor of a governmental body.

603.1 Notice #1.

603.2 Notice #2.

603.3 Notice #3

604 Agricultural liens.

604.1 Mechanics of filing. Agricultural liens are filed in the same manner as an initial financing statement and may use all forms and formats of communication permitted to be used in connection with initial financing statements. Each communication of a record of an agricultural lien must identify itself as such. They are indexed by debtor name and will be revealed by searches under rules 504 and 505.

604.1.1 Where to file. Agricultural liens are filed with the filing office.

604.1.2 Fee.

604.1.3 Duration. *[It is hoped that agricultural liens would be treated in substantially the same manner as financing statements and they would lapse if not continued.]*

604.2 Mechanics of search.

604.2.1 Fee for search.

604.2.2 Search available with UCC search.

605 Notice of lien in favor of a private individual or entity #2.

605.1 Mechanics of filing.

605.1.1 Where to file.

605.1.2 Fee.

605.1.3 Duration.

605.2 Mechanics of search.

605.2.1 Fee for search.

605.2.2 Search available with UCC search.

Numbers 606 through 699 are reserved.

Section 7 -- Rule Making Procedure

700 Policy statement. When taking action affecting the rights of the public, the filing officer shall, in addition to other requirements imposed by the constitution or by statute, do all of the following.

- 700.1 The filing officer shall adopt rules describing the mission of the filing office, describing the general course and method of operations, and describing the methods by which the public may obtain information or make submissions or requests.
- 700.2 The filing officer shall adopt rules of practice describing the nature and requirements of all formal and informal procedures available to the public, including a description of forms that may be used to file UCC documents and to request UCC searches.
- 700.3 The filing officer shall make available for public inspection all rules, and make available for public inspection and index by subject, all other written statements of law or policy, or interpretations formulated, adopted or used in the administration of the UCC.
- 701 Public inspection. No rule or other statement or expression of law or policy, or interpretation, order, decision or opinion is valid or effective against any person or party until it has been made available for public inspection as required by these rules, or unless these rules expressly permit otherwise.
- 702 Procedure for adoption of rules. Prior to the adoption, amendment, or repeal of a rule, the filing officer shall comply with this rule.
- 702.1 Delivery of notice. The filing officer shall deliver notice of its intended action at least thirty days in advance of the action to the executive officer of the state bar association, the executive officer of the state bankers association, the chairperson of the UCC section of the International Association of Corporation Administrators, and any other person who requests written notice of intended action to adopt, amend, or repeal a rule and who agrees to pay the cost of transmitting such notice to such other person. The notice shall state the substance of the intended action or a description of the subjects and issues involved, and the time when, the place where, and the manner in which interested persons may present their views.
- 702.2 Public participation. The filing officer shall afford all interested persons an opportunity to submit data, views or arguments in writing. If requested in writing within fourteen days after the date of the notice of intended action by a governmental subdivision, by twenty-five persons, or by an association having not less than twenty-five members, the filing officer shall give interested persons an opportunity to make an oral presentation prior to adopting a rule. The filing officer shall consider fully all written and oral submissions. Within one hundred eighty days following either the notice or within one hundred eighty days after the last date of the oral presentations on the proposed rule, whichever is later, the filing officer shall adopt a rule or terminate action to adopt the rule. If requested to do so by an interested person, either prior to adoption or within thirty days thereafter, the filing officer shall issue a

concise statement of the principal reasons for and against the rule, including the reasons for overruling any considerations urged against the rule.

- 703 When notice not required. When the filing officer finds for good cause that notice and public participation would be contrary to the public interest, the provisions of rule 702 shall be inapplicable. The filing officer shall incorporate in each rule issued in reliance upon this provision the finding and a brief statement of the reasons for the finding that the notice provisions of rule 702 were contrary to the public interest.
- 704 Notice of adoption of rule and effective date. The filing officer shall deliver a notice of adoption of a rule to the executive officer of the state bar association, the executive officer of the state bankers association, the chairperson of the UCC section of the International Association of Corporation Administrators, and any other person who requests written notice of adopted rules and who agrees to pay the cost of transmitting such notice to such other person.
- 704.1 Except as provided in rule 704.2, a rule is effective thirty days after the date of the notice of adoption, as required in this rule, unless a later date is required by statute or specified in the rule.
- 704.2 Subject to applicable constitutional or statutory provisions, a rule becomes effective immediately upon delivery to the executive officer of the state bar association, the executive officer of the state bankers association, the chairperson of the UCC section of the International Association of Corporation Administrators, any other person who requests written notice of adopted rules, if the filing officer finds that compliance with the provisions of rule 702 is contrary to the public interest and if the filing officer complies with the notice requirements of rule 703.
- 705 Petition for adoption of rules. An interested person may petition a filing officer to adopt a rule. Within sixty days after submission of a petition, the filing officer either shall deny the petition in writing on the merits, stating its reasons for the denial, or initiate a proceeding to adopt the rule in accordance with rule 702.
- 706 What constitutes delivery. In this section, "deliver" and "delivery" mean placing a copy of a proposed rule or an adopted rule in ordinary mail, postpaid and correctly addressed to the recipient.

707 Authority to adopt rules. Rules on the administration of the UCC are adopted pursuant to § 9-526 of the UCC and *[insert authorization from administrative procedures act or other statute]*.

708 Implementation. Rules on the administration of the UCC are intended to implement Part 5 of Article 9 of the UCC.

Numbers 709 through 799 are reserved.