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Anatomy of a UCC

How UCC Documents work and why

Welcome to our webinar!

Navigating UCC-3 Amendments

Announcements

- This presentation is being recorded and will be emailed along with supporting documents after the webinar.
- Presentation is scheduled for 30 minutes
- Questions can be put in the Q&A window and will be answered after the presentation.
- Content is for informational purposes only; it **DOES NOT** constitute legal advice.



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What is a UCC?



RA-9 of the Uniform Commercial Code (UCC) is a standardized legal framework that makes commerce state-to-state easier.



UCC Filings are notices that lenders use to secure a borrower's loan with asset(s).



Covers sale of goods, secured transactions, and other business transactions.



Though the goal of the UCC was made to make interstate commerce cohesive, individual states each have their own filing requirements.



Why complete a UCC Filing?

Filing a UCC-1 is a critical step for lenders when securing a loan with collateral. Here are the primary reasons why a lender should file a UCC:

- Establishing a Security Interest
- Recourse in case of default
- Priority over other creditors
- Public record and transparency
- Legal Enforceability
- Facilitation of future transactions



UCC1 Forms

- Set up who is involved, and what is being secured.
- Space to set up the Financing Statement information, including:
 - Debtors
 - Secured Parties
 - Collateral
 - Real Estate (If applicable)
 - Any additional information
- Missing/Incorrect Parties and Collateral can be updated using a UCC3 Amendment Form.





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Parts of a UCC1

Parts of a UCC1

- Filer Details: Basic information for the filers of the UCC.
 - NOTE: This is not necessarily the same as the Secured Party
- Parties: Space for two debtors and one Secured Party.
 - Additional parties can be added on addendum pages.
- Collateral: Description of the collateral covered by the UCC1.
- Additional Options: Check Boxes to indicate additional information/special circumstances for the filing.



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UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)

B. E-MAIL CONTACT AT SUBMITTER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Print Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 1b of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 1b of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE OF ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: ☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility ☐ Agricultural Lien ☐ Non-UCC Filing

6b. Check only if applicable and check only one box: ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailor/Borrower ☐ Licensee/Licensor

7. ALTERNATIVE DESIGNATION (if applicable):

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 07/01/23)

UCC1 Addendums

- Addendum form with space for additional details.
- UCC1AD:
 - One additional Debtor
 - One Additional Secured Party
 - Additional Collateral Language
 - Real Estate Information (where applicable)
- UCC1AP:
 - Three additional Debtors
 - Two Additional Secured Parties
- Multiple Addendum pages can be used if more space is needed.



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UCC FINANCING STATEMENT ADDENDUM
FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement, if line 1b was left blank. Indicate Individual Debtor name did not fit, check here ☐

10a. ORGANIZATION'S NAME

10b. INDIVIDUAL'S SURNAME

10c. INDIVIDUAL'S FIRST PERSONAL NAME

10d. ADDITIONAL NAME(S) (INITIALS)

10e. SUFFIX

Print **Reset**

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10. DEBTOR'S NAME: Provide (10a or 10b) only ☐ additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (see exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c.

10a. ORGANIZATION'S NAME

10b. INDIVIDUAL'S SURNAME

10c. INDIVIDUAL'S FIRST PERSONAL NAME

10d. ADDITIONAL NAME(S) (INITIALS)

10e. SUFFIX

10f. MAILING ADDRESS

10g. CITY

10h. STATE

10i. POSTAL CODE

10j. COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only ☐ name (11a or 11b)

11a. ORGANIZATION'S NAME

11b. INDIVIDUAL'S SURNAME

11c. INDIVIDUAL'S FIRST PERSONAL NAME

11d. ADDITIONAL NAME(S) (INITIALS)

11e. SUFFIX

11f. MAILING ADDRESS

11g. CITY

11h. STATE

11i. POSTAL CODE

11j. COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

13. ☐ This FINANCING STATEMENT is to be filed (or record) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: ☐ covers order to be cut ☐ covers as-extracted collateral ☐ is filed as a future filing

15. Name and address of a RECORD-OWNER of real estate described in item 10 (if Debtor does not have a record interest)

16. Description of real estate

17. MISCELLANEOUS

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad) (Rev. 07/01/23)

UCC1 Addendums

- Addendum form with space for additional details.
- UCC1AD:
 - One additional Debtor
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UCC FINANCING STATEMENT ADDITIONAL PARTY
FOLLOW INSTRUCTIONS

18. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement. If line 1b was left blank because Individual Debtor name did not fit, check here ☐

19a. ORGANIZATION'S NAME

OR

19b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME (SUFFIXAL) (S)

SUFFIX

Print **Reset**

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19. ADDITIONAL DEBTOR'S NAME: Provide only one Debtor name (19a or 19b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

19a. ORGANIZATION'S NAME

OR

19b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME (SUFFIXAL) (S)

SUFFIX

20. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

20. ADDITIONAL DEBTOR'S NAME: Provide only one Debtor name (20a or 20b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

20a. ORGANIZATION'S NAME

OR

20b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME (SUFFIXAL) (S)

SUFFIX

21. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

21. ADDITIONAL DEBTOR'S NAME: Provide only one Debtor name (21a or 21b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

21a. ORGANIZATION'S NAME

OR

21b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME (SUFFIXAL) (S)

SUFFIX

22. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

22. ☐ ADDITIONAL SECURED PARTY'S NAME ☒ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (22a or 22b)

22a. ORGANIZATION'S NAME

OR

22b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME (SUFFIXAL) (S)

SUFFIX

23. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

23. ☐ ADDITIONAL SECURED PARTY'S NAME ☒ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (23a or 23b)

23a. ORGANIZATION'S NAME

OR

23b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME (SUFFIXAL) (S)

SUFFIX

24. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

24. MISCELLANEOUS:

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDITIONAL PARTY (Form UCC1AP) (Rev. 07/01/23)

Perfection

- A Perfected UCC Filing means it is legally enforceable against third parties.
- Help assure that no other party will be able to claim the same collateral if the debtor becomes insolvent.
- By perfecting its security interest, a secured party seeks to gain priority over other parties regarding the collateral in the case of a default.



How to perfect a UCC Filing

- **Accurate Information:** Errors in this information can lead to the filing being deemed ineffective.
- **State Compliance:** Familiarize yourself with the rules in the state where the filing is made.
- **Timely Filing:** File the UCC-1 form promptly after the loan agreement is executed.
- **Use of Correct Forms:** Make sure to use the correct UCC forms.
- **Tracking your Continuations:** Track the expiration date and file a continuation UCC3 statement to maintain your security interest.



Common Perfection Pitfalls

- **Incorrect Debtor Information** – This could also include incomplete debtor information.
- **Failure to File in the Correct Jurisdiction** - Always verify the appropriate filing office.
- **Neglecting to Update Filings** - If there are changes to the collateral or the debtor's information.
- **Ignoring State-Specific Requirements** – States may have unique requirements for UCC filings, such as additional documentation or specific filing fees.



Positioning

- When you file a UCC, and no other party has a lien on that filing, you gain the first position in case of a default to claim the collateral to recoup your debt.
- A Search-to-Reflect (STR) will confirm proper indexing and verifies priority position.

Reasons you can lose priority

- If another entity has a UCC filing on that business
- Any errors on your UCC filing
- Non-perfected filings



UCC3 Amendments

- UCC3 Financing Statement Amendments are a follow-up to any UCC1.
 - Amend the initial information to add, remove, or change details.
- These refer to a UCC1 and can be filed for various reasons.



Amendment Types

- Termination:
 - Terminates UCC1 (does not remove from the record)
- Assignment:
 - Gives the filing to another company
- Continuation:
 - Adds 5 years to the lapse date
- Party Information Change:
 - Changes a party (add, change, remove)
- Collateral Change:
 - Changes the collateral (Add, delete, restate, assign partial)




Parts of a UCC3

- Filer Details
 - NOTE: This is not necessarily the same as the Secured Party
- Initial File Information
- Amendment Types
- Space for details:
 - Current Record
 - Change/Added Party Information
 - Collateral Change
- Authorizing Party
- Addendum pages available as needed.



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UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)

B. EMAIL CONTACT AT SUBMITTER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

1a. INITIAL FINANCING STATEMENT FILE NUMBER

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

3. ASSIGNMENT: Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c. For partial assignment, complete items 7 and 8; check **ASSIGN** collateral box in item 8 and describe the affected collateral in item 8b.

4. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party (ies) authorizing this Continuation Statement is continued for the additional period provided by applicable law.

5. PARTY INFORMATION CHANGE:

Check any of these two boxes:

This Change affects: ☐ Debtor ☐ Secured Party of record

and Check any of these three boxes to:

☐ CHANGE name and/or address: Complete item 7a or 7b, and item 7c. ☐ ADD name: Complete item 7a or 7b, and item 7c. ☐ DELETE name: Check record name in box labeled in item 7a or 7b.

6. CURRENT RECORD INFORMATION OR: Complete for Party Information Change - provide only any name 7a or 7b.

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME **FIRST PERSONAL NAME** **ADDITIONAL NAME(S)/INITIAL(S)** **SUFFIX**

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only any name 7a or 7b (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name).

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME **FIRST PERSONAL NAME** **ADDITIONAL NAME(S)/INITIAL(S)** **SUFFIX**

7c. MAILING ADDRESS **CITY** **STATE** **POSTAL CODE** **COUNTRY**

8. COLLATERAL CHANGE: Check only any box: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN* collateral

Indicate collateral: ☐ (Check **ASSIGN COLL** APPLICABLE only if the assignor's power to amend the record is limited to certain collateral and describe the collateral in item 8b)

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only any name (a or b) (name of Assignee, if this is an Assignment). If this is an Amendment authorized by a DEBTOR, mark here ☐ and provide name of authorizing Debtor.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME **FIRST PERSONAL NAME** **ADDITIONAL NAME(S)/INITIAL(S)** **SUFFIX**

10. OPTIONAL FILER REFERENCE DATA:

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What can a service provider do for you?



State & County research –
From Corporate to Real
Estate research, we have a
team to assist with all
request



UCC Alerts – track current
UCC filings you own to
eliminate accidental lapses
and unknown changes



Automation – Consolidation of
all documents & research in
one easy step with API
integration into your LOS or
CRM



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Questions?



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Thank You!