

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5083

A bill to amend 1962 PA 174, entitled
"Uniform commercial code,"
by amending sections 9105, 9307, 9311, 9316, 9326, 9406, 9408,
9502, 9503, 9507, 9515, 9516, 9518, 9521, and 9607 (MCL 440.9105,
440.9307, 440.9311, 440.9316, 440.9326, 440.9406, 440.9408,
440.9502, 440.9503, 440.9507, 440.9515, 440.9516, 440.9518,
440.9521, and 440.9607), sections 9105, 9307, 9316, 9406, 9408,
9502, 9503, and 9507 as amended and sections 9326, 9518, and 9607
as added by 2000 PA 348, section 9311 as amended by 2005 PA 25, and
sections 9515, 9516, and 9521 as amended by 2008 PA 383, and by
adding part 8 to article 9; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9105. (1) A secured party has control of electronic
2 chattel paper if **A SYSTEM EMPLOYED FOR EVIDENCING THE TRANSFER OF**
3 **INTERESTS IN THE CHATTEL PAPER RELIABLY ESTABLISHES THE SECURED**

1 **PARTY AS THE PERSON TO WHICH THE CHATTEL PAPER WAS ASSIGNED.**

2 (2) **A SYSTEM SATISFIES SUBSECTION (1) IF** the record or records
3 comprising the chattel paper are created, stored, and assigned in
4 such a manner that all of the following apply:

5 (a) A single authoritative copy of the record or records
6 exists which is unique, identifiable, and, except as otherwise
7 provided in subdivisions (d), (e), and (f), unalterable.

8 (b) The authoritative copy identifies the secured party as the
9 assignee of the record or records.

10 (c) The authoritative copy is communicated to and maintained
11 by the secured party or its designated custodian.

12 (d) Copies or ~~revisions~~**AMENDMENTS** that add or change an
13 identified assignee of the authoritative copy can be made only with
14 the ~~participation~~**CONSENT** of the secured party.

15 (e) Each copy of the authoritative copy and any copy of a copy
16 is readily identifiable as a copy that is not the authoritative
17 copy.

18 (f) Any ~~revision~~**AMENDMENT** of the authoritative copy is
19 readily identifiable as an ~~authorized~~ or unauthorized. ~~revision~~.

20 Sec. 9307. (1) As used in this section, "place of business"
21 means a place where a debtor conducts its affairs.

22 (2) Except as otherwise provided in this section, the
23 following rules determine a debtor's location:

24 (a) A debtor who is an individual is located at the
25 individual's principal residence.

26 (b) A debtor that is an organization and has only 1 place of
27 business is located at its place of business.

1 (c) A debtor that is an organization and has more than 1 place
2 of business is located at its chief executive office.

3 (3) Subsection (2) applies only if a debtor's residence, place
4 of business, or chief executive office, as applicable, is located
5 in a jurisdiction whose law generally requires information
6 concerning the existence of a nonpossessory security interest to be
7 made generally available in a filing, recording, or registration
8 system as a condition or result of the security interest's
9 obtaining priority over the rights of a lien creditor with respect
10 to the collateral. If subsection (2) does not apply, the debtor is
11 located in the District of Columbia.

12 (4) A person that ceases to exist, have a residence, or have a
13 place of business continues to be located in the jurisdiction
14 specified by subsections (2) and (3).

15 (5) A registered organization that is organized under the law
16 of a state is located in that state.

17 (6) Except as otherwise provided in subsection (9), a
18 registered organization that is organized under the law of the
19 United States and a branch or agency of a bank that is not
20 organized under the law of the United States or a state are located
21 in 1 of the following:

22 (a) In the state that the law of the United States designates,
23 if the law designates a state of location.

24 (b) In the state that the registered organization, branch, or
25 agency designates, if the law of the United States authorizes the
26 registered organization, branch, or agency to designate its state
27 of location, **INCLUDING BY DESIGNATING ITS MAIN OFFICE, HOME OFFICE,**

1 **OR OTHER COMPARABLE OFFICE.**

2 (c) In the District of Columbia, if neither subdivision (a)
3 nor (b) applies.

4 (7) A registered organization continues to be located in the
5 jurisdiction specified by subsection (5) or (6) notwithstanding the
6 occurrence of 1 of the following:

7 (a) The suspension, revocation, forfeiture, or lapse of the
8 registered organization's status as such in its jurisdiction of
9 organization.

10 (b) The dissolution, winding up, or cancellation of the
11 existence of the registered organization.

12 (8) The United States is located in the District of Columbia.

13 (9) A branch or agency of a bank that is not organized under
14 the law of the United States or a state is located in the state in
15 which the branch or agency is licensed, if all branches and
16 agencies of the bank are licensed in only 1 state.

17 (10) A foreign air carrier is located at the designated office
18 of the agent upon which service of process may be made on behalf of
19 the carrier under section 46103 of title 49 of the United States
20 Code, 49 ~~U.S.C.~~**USC** 46103.

21 (11) This section applies only for purposes of this part.

22 Sec. 9311. (1) Except as otherwise provided in subsection (4),
23 the filing of a financing statement is not necessary or effective
24 to perfect a security interest in property subject to 1 or more of
25 the following:

26 (a) A statute, regulation, or treaty of the United States
27 whose requirements for a security interest's obtaining priority

1 over the rights of a lien creditor with respect to the property
2 preempt section 9310(1).

3 (b) The following statutes of this state:

4 (i) Chapter II of the Michigan vehicle code, 1949 PA 300, MCL
5 257.201 to 257.259.

6 (ii) Part 803 of the natural resources and environmental
7 protection act, 1994 PA 451, MCL 324.80301 to 324.80322.

8 (iii) Part 811 of the natural resources and environmental
9 protection act, 1994 PA 451, MCL 324.81101 to 324.81150.

10 (iv) Sections 30 through 30i of the mobile home commission act,
11 1987 PA 96, MCL 125.2330 to 125.2330i.

12 (c) A ~~certificate of title~~ statute of another jurisdiction
13 that provides for a security interest to be indicated on ~~the A~~
14 certificate **OF TITLE** as a condition or result of the security
15 interest's obtaining priority over the rights of a lien creditor
16 with respect to the property.

17 (2) Compliance with the requirements of a statute, regulation,
18 or treaty described in subsection (1) for obtaining priority over
19 the rights of a lien creditor is equivalent to the filing of a
20 financing statement under this article. Except as otherwise
21 provided in subsection (4) and sections 9313 and 9316(4) and (5)
22 for goods covered by a certificate of title, a security interest in
23 property subject to a statute, regulation, or treaty described in
24 subsection (1) may be perfected only by compliance with those
25 requirements, and a security interest so perfected remains
26 perfected notwithstanding a change in the use or transfer of
27 possession of the collateral.

1 (3) Except as otherwise provided in subsection (4) and section
2 9316(4) and (5), duration and renewal of perfection of a security
3 interest perfected by compliance with the requirements prescribed
4 by a statute, regulation, or treaty described in subsection (1) are
5 governed by the statute, regulation, or treaty. In other respects,
6 the security interest is subject to this article.

7 (4) During any period in which collateral subject to a statute
8 specified in subsection (1)(b) is inventory held for sale or lease
9 by a person or leased by that person as lessor and that person is
10 in the business of selling goods of that kind, this section does
11 not apply to a security interest in that collateral created by that
12 person.

13 Sec. 9316. (1) A security interest perfected pursuant to the
14 law of the jurisdiction designated in section 9301(a) or 9305(3)
15 remains perfected until the earliest of the following:

16 (a) The time perfection would have ceased under the law of
17 that jurisdiction.

18 (b) The expiration of 4 months after a change of the debtor's
19 location to another jurisdiction.

20 (c) The expiration of 1 year after a transfer of collateral to
21 a person that thereby becomes a debtor and is located in another
22 jurisdiction.

23 (2) If a security interest described in subsection (1) becomes
24 perfected under the law of the other jurisdiction before the
25 earliest time or event described in that subsection, it remains
26 perfected thereafter. If the security interest does not become
27 perfected under the law of the other jurisdiction before the

1 earliest time or event, it becomes unperfected and is deemed never
2 to have been perfected as against a purchaser of the collateral for
3 value.

4 (3) A possessory security interest in collateral, other than
5 goods covered by a certificate of title and as-extracted collateral
6 consisting of goods, remains continuously perfected if all of the
7 following are met:

8 (a) The collateral is located in 1 jurisdiction and subject to
9 a security interest perfected under the law of that jurisdiction.

10 (b) Thereafter, the collateral is brought into another
11 jurisdiction.

12 (c) Upon entry of the collateral into the other jurisdiction,
13 the security interest is perfected under the law of the other
14 jurisdiction.

15 (4) Except as otherwise provided in subsection (5), a security
16 interest in goods covered by a certificate of title that is
17 perfected by any method under the law of another jurisdiction when
18 the goods become covered by a certificate of title from this state
19 remains perfected until the security interest would have become
20 unperfected under the law of the other jurisdiction had the goods
21 not become so covered.

22 (5) A security interest described in subsection (4) becomes
23 unperfected as against a purchaser of the goods for value and is
24 deemed never to have been perfected as against a purchaser of the
25 goods for value if the applicable requirements for perfection under
26 section 9311(2) or 9313 are not satisfied before the earlier of the
27 following:

1 (a) The time the security interest would have become
2 unperfected under the law of the other jurisdiction had the goods
3 not become covered by a certificate of title from this state.

4 (b) The expiration of 4 months after the goods had become so
5 covered.

6 (6) A security interest in deposit accounts, letter-of-credit
7 rights, or investment property that is perfected under the law of
8 the bank's jurisdiction, the issuer's jurisdiction, a nominated
9 person's jurisdiction, the securities intermediary's jurisdiction,
10 or the commodity intermediary's jurisdiction, as applicable,
11 remains perfected until the earlier of the following:

12 (a) The time the security interest would have become
13 unperfected under the law of that jurisdiction.

14 (b) The expiration of 4 months after a change of the
15 applicable jurisdiction to another jurisdiction.

16 (7) If a security interest described in subsection (6) becomes
17 perfected under the law of the other jurisdiction before the
18 earlier of the time or the end of the period described in that
19 subsection, it remains perfected thereafter. If the security
20 interest does not become perfected under the law of the other
21 jurisdiction before the earlier of that time or the end of that
22 period, it becomes unperfected and is deemed never to have been
23 perfected as against a purchaser of the collateral for value.

24 **(8) THE FOLLOWING RULES APPLY TO COLLATERAL TO WHICH A**
25 **SECURITY INTEREST ATTACHES WITHIN 4 MONTHS AFTER THE DEBTOR CHANGES**
26 **ITS LOCATION TO ANOTHER JURISDICTION:**

27 **(A) A FINANCING STATEMENT FILED BEFORE THE CHANGE PURSUANT TO**

1 THE LAW OF THE JURISDICTION DESIGNATED IN SECTION 9301(A) OR
2 9305(3) IS EFFECTIVE TO PERFECT A SECURITY INTEREST IN THE
3 COLLATERAL IF THE FINANCING STATEMENT WOULD HAVE BEEN EFFECTIVE TO
4 PERFECT A SECURITY INTEREST IN THE COLLATERAL HAD THE DEBTOR NOT
5 CHANGED ITS LOCATION.

6 (B) IF A SECURITY INTEREST PERFECTED BY A FINANCING STATEMENT
7 THAT IS EFFECTIVE UNDER SUBDIVISION (A) BECOMES PERFECTED UNDER THE
8 LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER OF THE TIME THE
9 FINANCING STATEMENT WOULD HAVE BECOME INEFFECTIVE UNDER THE LAW OF
10 THE JURISDICTION DESIGNATED IN SECTION 9301(A) OR 9305(3) OR THE
11 EXPIRATION OF THE 4-MONTH PERIOD, IT REMAINS PERFECTED THEREAFTER.
12 IF THE SECURITY INTEREST DOES NOT BECOME PERFECTED UNDER THE LAW OF
13 THE OTHER JURISDICTION BEFORE THE EARLIER TIME OR EVENT, IT BECOMES
14 UNPERFECTED AND IS DEEMED NEVER TO HAVE BEEN PERFECTED AS AGAINST A
15 PURCHASER OF THE COLLATERAL FOR VALUE.

16 (9) IF A FINANCING STATEMENT NAMING AN ORIGINAL DEBTOR IS
17 FILED PURSUANT TO THE LAW OF THE JURISDICTION DESIGNATED IN SECTION
18 9301(A) OR 9305(3) AND THE NEW DEBTOR IS LOCATED IN ANOTHER
19 JURISDICTION, THE FOLLOWING RULES APPLY:

20 (A) THE FINANCING STATEMENT IS EFFECTIVE TO PERFECT A SECURITY
21 INTEREST IN COLLATERAL ACQUIRED BY THE NEW DEBTOR BEFORE, AND
22 WITHIN 4 MONTHS AFTER, THE NEW DEBTOR BECOMES BOUND UNDER SECTION
23 9203(4), IF THE FINANCING STATEMENT WOULD HAVE BEEN EFFECTIVE TO
24 PERFECT A SECURITY INTEREST IN THE COLLATERAL HAD THE COLLATERAL
25 BEEN ACQUIRED BY THE ORIGINAL DEBTOR.

26 (B) A SECURITY INTEREST PERFECTED BY THE FINANCING STATEMENT
27 AND WHICH BECOMES PERFECTED UNDER THE LAW OF THE OTHER JURISDICTION

1 BEFORE THE EARLIER OF THE TIME THE FINANCING STATEMENT WOULD HAVE
2 BECOME INEFFECTIVE UNDER THE LAW OF THE JURISDICTION DESIGNATED IN
3 SECTION 9301(A) OR 9305(3) OR THE EXPIRATION OF THE 4-MONTH PERIOD
4 REMAINS PERFECTED THEREAFTER. A SECURITY INTEREST THAT IS PERFECTED
5 BY THE FINANCING STATEMENT BUT WHICH DOES NOT BECOME PERFECTED
6 UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER TIME OR
7 EVENT BECOMES UNPERFECTED AND IS DEEMED NEVER TO HAVE BEEN
8 PERFECTED AS AGAINST A PURCHASER OF THE COLLATERAL FOR VALUE.

9 Sec. 9326. (1) Subject to subsection (2), a security interest
10 THAT IS created by a new debtor ~~that is~~ IN COLLATERAL IN WHICH THE
11 NEW DEBTOR HAS OR ACQUIRES RIGHTS AND IS perfected SOLELY by a
12 filed financing statement that ~~is effective solely under section~~
13 ~~9508 in collateral in that a new debtor has or acquires rights~~
14 WOULD BE INEFFECTIVE TO PERFECT THE SECURITY INTEREST BUT FOR THE
15 APPLICATION OF SECTION 9316(9) (A) OR 9508 is subordinate to a
16 security interest in the same collateral that is perfected other
17 than by SUCH a filed financing statement. ~~that is effective solely~~
18 ~~under section 9508.~~

19 (2) The other provisions of this part determine the priority
20 among conflicting security interests in the same collateral
21 perfected by filed financing statements ~~that are effective solely~~
22 ~~under section 9508.~~ DESCRIBED IN SUBSECTION (1). However, if the
23 security agreements to which a new debtor became bound as debtor
24 were not entered into by the same original debtor, the conflicting
25 security interests rank according to priority in time of the new
26 debtor's having become bound.

27 Sec. 9406. (1) Subject to subsections (2) through (9), an

1 account debtor on an account, chattel paper, or a payment
2 intangible may discharge its obligation by paying the assignor
3 until, but not after, the account debtor receives a notification,
4 authenticated by the assignor or the assignee, that the amount due
5 or to become due has been assigned and that payment is to be made
6 to the assignee. After receipt of the notification, the account
7 debtor may discharge its obligation by paying the assignee and may
8 not discharge the obligation by paying the assignor.

9 (2) Subject to subsection (8), notification is ineffective
10 under subsection (1) if 1 or more of the following apply:

11 (a) If notification does not reasonably identify the rights
12 assigned.

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

17 (c) At the option of an account debtor, if the notification
18 notifies the account debtor to make less than the full amount of
19 any installment or other periodic payment to the assignee, even if
20 1 or more of the following occur:

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

23 (ii) A portion has been assigned to another assignee.

24 (iii) The account debtor knows that the assignment to that
25 assignee is limited.

26 (3) Subject to subsection (8), if requested by the account
27 debtor, an assignee shall seasonably furnish reasonable proof that

1 the assignment has been made. Unless the assignee complies, the
2 account debtor may discharge its obligation by paying the assignor,
3 even if the account debtor has received a notification under
4 subsection (1).

5 (4) Except as otherwise provided in subsection (5) and
6 sections 2A303 and 9407, and subject to subsection (8), a term in
7 an agreement between an account debtor and an assignor or in a
8 promissory note is ineffective to the extent that it does 1 or more
9 of the following:

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

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

20 (5) Subsection (4) does not apply to the following:

21 (a) A claim or right to receive an amount that would be
22 excluded from gross income under section 104(a)(1) or (2) of the
23 internal revenue code, ~~of 1986, 26 U.S.C.—USC~~ 104.

24 (b) A claim or right to receive benefits from a special needs
25 trust. For purposes of this subdivision, a "special needs trust" is
26 a trust described in section 1917(d)(4)(A), (B), or (C) of title
27 XIX of the social security act, 42 ~~U.S.C.—USC~~ 1396p.

1 (c) The sale of a payment intangible or promissory note, **OTHER**
2 **THAN A SALE PURSUANT TO A DISPOSITION UNDER SECTION 9610 OR AN**
3 **ACCEPTANCE OF COLLATERAL UNDER SECTION 9620.**

4 (6) Except as otherwise provided in sections 2A303 and 9407
5 and subject to subsections (8) and (9), a rule of law, statute, or
6 regulation, that prohibits, restricts, or requires the consent of a
7 government, governmental body or official, or account debtor to the
8 assignment or transfer of, or creation of a security interest in,
9 an account or chattel paper is ineffective to the extent that the
10 rule of law, statute, or regulation does 1 or more of the
11 following:

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

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

22 (7) Subject to subsection (8), an account debtor may not waive
23 or vary its option under subsection (2)(c).

24 (8) This section is subject to law other than this article
25 that establishes a different rule for an account debtor who is an
26 individual and who incurred the obligation primarily for personal,
27 family, or household purposes.

1 (9) This section does not apply to an assignment of a health-
2 care-insurance receivable.

3 Sec. 9408. (1) Except as otherwise provided in subsection (2)
4 or (4), a term in a promissory note or in an agreement between an
5 account debtor and a debtor that relates to a health-care-insurance
6 receivable or a general intangible, including a contract, permit,
7 license, or franchise, and which term prohibits, restricts, or
8 requires the consent of the person obligated on the promissory note
9 or the account debtor to, the assignment or transfer of, or
10 creation, attachment, or perfection of a security interest in, the
11 promissory note, health-care-insurance receivable, or general
12 intangible, is ineffective to the extent that the term does 1 or
13 more of the following:

14 (a) Would impair the creation, attachment, or perfection of a
15 security interest.

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

21 (2) Subsection (1) applies to a security interest in a payment
22 intangible or promissory note only if the security interest arises
23 out of a sale of the payment intangible or promissory note, **OTHER**
24 **THAN A SALE PURSUANT TO A DISPOSITION UNDER SECTION 9610 OR AN**
25 **ACCEPTANCE OF COLLATERAL UNDER SECTION 9620.**

26 (3) Except as otherwise provided in subsection (4), a rule of
27 law, statute, or regulation that prohibits, restricts, or requires

1 the consent of a government, governmental body or official, person
2 obligated on a promissory note, or account debtor to the assignment
3 or transfer of, or creation of a security interest in, a promissory
4 note, health-care-insurance receivable, or general intangible,
5 including a contract, permit, license, or franchise between an
6 account debtor and a debtor, is ineffective to the extent that the
7 rule of law, statute, or regulation does 1 or more of the
8 following:

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

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

16 (4) To the extent that a term in a promissory note or in an
17 agreement between an account debtor and a debtor that relates to a
18 health-care-insurance receivable or general intangible or a rule of
19 law, statute, or regulation described in subsection (3) would be
20 effective under law other than this article but is ineffective
21 under subsection (1) or (3), the creation, attachment, or
22 perfection of a security interest in the promissory note, health-
23 care-insurance receivable, or general intangible is not or does not
24 do all of the following:

25 (a) Is not enforceable against the person obligated on the
26 promissory note or the account debtor.

27 (b) Does not impose a duty or obligation on the person

1 obligated on the promissory note or the account debtor.

2 (c) Does not require the person obligated on the promissory
3 note or the account debtor to recognize the security interest, pay
4 or render performance to the secured party, or accept payment or
5 performance from the secured party.

6 (d) Does not entitle the secured party to use or assign the
7 debtor's rights under the promissory note, health-care-insurance
8 receivable, or general intangible, including any related
9 information or materials furnished to the debtor in the transaction
10 giving rise to the promissory note, health-care-insurance
11 receivable, or general intangible.

12 (e) Does not entitle the secured party to use, assign,
13 possess, or have access to any trade secrets or confidential
14 information of the person obligated on the promissory note or the
15 account debtor.

16 (f) Does not entitle the secured party to enforce the security
17 interest in the promissory note, health-care-insurance receivable,
18 or general intangible.

19 (5) Subsections (1) and (3) do not apply to either of the
20 following:

21 (a) A claim or right to receive an amount that would be
22 excluded from gross income under section 104(a)(1) or (2) of the
23 internal revenue code, ~~of 1986, 26 U.S.C.~~ **USC** 104.

24 (b) A claim or right to receive benefits from a special needs
25 trust. For purposes of this subdivision, a "special needs trust" is
26 a trust described in section 1917(d)(4)(A), (B), or (C) of title
27 XIX of the social security act, ~~42 U.S.C.~~ **USC** 1396p.

1 Sec. 9502. (1) Subject to subsection (2), a financing
2 statement is sufficient only if it does all of the following:

3 (a) Provides the name of the debtor.

4 (b) Provides the name of the secured party or a representative
5 of the secured party.

6 (c) Indicates the collateral covered by the financing
7 statement.

8 (2) Except as otherwise provided in section 9501(2), to be
9 sufficient, a financing statement that covers as-extracted
10 collateral or timber to be cut, or that is filed as a fixture
11 filing and covers goods that are or are to become fixtures, must
12 satisfy subsection (1) and also do all of the following:

13 (a) Indicate that it covers this type of collateral.

14 (b) Indicate that it is to be recorded in the real property
15 records.

16 (c) Provide a description of the real property to which the
17 collateral is related sufficient to give constructive notice of a
18 mortgage under the law of this state if the description were
19 contained in a record of the mortgage of the real property.

20 (d) If the debtor does not have an interest of record in the
21 real property, provide the name of a record owner.

22 (3) A record of a mortgage is effective, from the date of
23 recording, as a financing statement filed as a fixture filing or as
24 a financing statement covering as-extracted collateral or timber to
25 be cut only if all of the following apply:

26 (a) The record indicates the goods or accounts that it covers.

27 (b) The goods are or are to become fixtures related to the

1 real property described in the record or the collateral is related
2 to the real property described in the record and is as-extracted
3 collateral or timber to be cut.

4 (c) The record satisfies the requirements for a financing
5 statement in this section, ~~other than an indication~~ **SUBJECT TO THE**
6 **FOLLOWING:**

7 (i) **THE RECORD NEED NOT INDICATE** that it is to be filed in the
8 real property records.

9 (ii) **THE RECORD SUFFICIENTLY PROVIDES THE NAME OF A DEBTOR WHO**
10 **IS AN INDIVIDUAL IF IT PROVIDES THE INDIVIDUAL NAME OF THE DEBTOR**
11 **OR THE SURNAME AND FIRST PERSONAL NAME OF THE DEBTOR, EVEN IF THE**
12 **DEBTOR IS AN INDIVIDUAL TO WHOM SECTION 9503(1)(D) APPLIES.**

13 (d) The record is duly recorded.

14 (4) A financing statement may be filed before a security
15 agreement is made or a security interest otherwise attaches.

16 Sec. 9503. (1) A financing statement sufficiently provides the
17 name of the debtor if it meets all of the following that apply to
18 the debtor:

19 (a) ~~If~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), IF** the
20 debtor is a registered organization **OR THE COLLATERAL IS HELD IN A**
21 **TRUST THAT IS A REGISTERED ORGANIZATION,** only if the financing
22 statement provides the name ~~of the debtor indicated on the public~~
23 ~~record of the debtor's jurisdiction of organization which shows the~~
24 ~~debtor to have been organized.~~ **THAT IS STATED TO BE THE REGISTERED**
25 **ORGANIZATION'S NAME ON THE PUBLIC ORGANIC RECORD MOST RECENTLY**
26 **FILED WITH OR ISSUED OR ENACTED BY THE REGISTERED ORGANIZATION'S**
27 **JURISDICTION OF ORGANIZATION WHICH PURPORTS TO STATE, AMEND, OR**

1 **RESTATE THE REGISTERED ORGANIZATION'S NAME.**

2 ~~(b) If the debtor is a decedent's estate, only if the~~
3 ~~financing statement provides the name of the decedent and indicates~~
4 ~~that the debtor is an estate.~~ **SUBJECT TO SUBSECTION (6), IF THE**
5 **COLLATERAL IS BEING ADMINISTERED BY THE PERSONAL REPRESENTATIVE OF**
6 **A DECEDENT, ONLY IF THE FINANCING STATEMENT PROVIDES, AS THE NAME**
7 **OF THE DEBTOR, THE NAME OF THE DECEDENT AND, IN A SEPARATE PART OF**
8 **THE FINANCING STATEMENT, INDICATES THAT THE COLLATERAL IS BEING**
9 **ADMINISTERED BY A PERSONAL REPRESENTATIVE.**

10 ~~(c) If the debtor is a trust or a trustee acting with respect~~
11 ~~to property held in trust,~~ **COLLATERAL IS HELD IN A TRUST THAT IS**
12 **NOT A REGISTERED ORGANIZATION,** only if the financing statement does
13 both of the following:

14 ~~(i) Provides the name specified for the trust in its organic~~
15 ~~documents or, if no name is specified, provides the name of the~~
16 ~~settlor and additional information sufficient to distinguish the~~
17 ~~debtor from other trusts having 1 or more of the same settlors.~~ **1 OF**
18 **THE FOLLOWING AS THE NAME OF THE DEBTOR:**

19 **(A) IF THE ORGANIC RECORD OF THE TRUST SPECIFIES A NAME FOR**
20 **THE TRUST, THE NAME SPECIFIED.**

21 **(B) IF THE ORGANIC RECORD OF THE TRUST DOES NOT SPECIFY A NAME**
22 **FOR THE TRUST, THE NAME OF THE SETTLOR OR TESTATOR.**

23 ~~(ii) Indicates, in the debtor's name or otherwise, that the~~
24 ~~debtor is a trust or is a trustee acting with respect to property~~
25 ~~held in trust.~~ **MEETS 1 OF THE FOLLOWING IN A SEPARATE PART OF THE**
26 **FINANCING STATEMENT:**

27 **(A) IF THE NAME IS PROVIDED IN ACCORDANCE WITH SUBPARAGRAPH**

1 (i) (A), INDICATES THAT THE COLLATERAL IS HELD IN A TRUST.

2 (B) IF THE NAME IS PROVIDED IN ACCORDANCE WITH SUBPARAGRAPH
3 (i) (B), PROVIDES ADDITIONAL INFORMATION SUFFICIENT TO DISTINGUISH
4 THE TRUST FROM OTHER TRUSTS HAVING 1 OR MORE OF THE SAME SETTLORS
5 OR THE SAME TESTATOR AND INDICATES THAT THE COLLATERAL IS HELD IN A
6 TRUST, UNLESS THE ADDITIONAL INFORMATION SO INDICATES.

7 (D) SUBJECT TO SUBSECTION (7), IF THE DEBTOR IS AN INDIVIDUAL
8 TO WHOM THIS STATE HAS ISSUED A DRIVER LICENSE OR STATE PERSONAL
9 IDENTIFICATION CARD THAT HAS NOT EXPIRED, ONLY IF THE FINANCING
10 STATEMENT PROVIDES THE NAME OF THE INDIVIDUAL WHICH IS INDICATED ON
11 THE DRIVER LICENSE OR STATE PERSONAL IDENTIFICATION CARD.

12 (E) IF THE DEBTOR IS AN INDIVIDUAL TO WHOM SUBDIVISION (D)
13 DOES NOT APPLY, ONLY IF THE FINANCING STATEMENT PROVIDES THE
14 INDIVIDUAL NAME OF THE DEBTOR OR THE SURNAME AND FIRST PERSONAL
15 NAME OF THE DEBTOR.

16 (F) ~~(d)~~—In other cases, satisfies 1 of the following:

17 (i) If the debtor has a name, only if ~~it~~ **THE FINANCING**
18 **STATEMENT** provides the ~~individual or~~ organizational name of the
19 debtor.

20 (ii) If the debtor does not have a name, only if it provides
21 the names of the partners, members, associates, or other persons
22 comprising the debtor, **IN A MANNER THAT EACH NAME PROVIDED WOULD BE**
23 **SUFFICIENT IF THE PERSON NAMED WERE THE DEBTOR.**

24 (2) A financing statement that provides the name of the debtor
25 in accordance with subsection (1) is not rendered ineffective by
26 the absence of 1 or more of the following:

27 (a) A trade name or other name of the debtor.

1 (b) Unless required under subsection ~~(1) (d) (ii)~~, **(1) (F) (ii)**,
2 names of partners, members, associates, or other persons comprising
3 the debtor.

4 (3) A financing statement that provides only the debtor's
5 trade name does not sufficiently provide the name of the debtor.

6 (4) Failure to indicate the representative capacity of a
7 secured party or representative of a secured party does not affect
8 the sufficiency of a financing statement.

9 (5) A financing statement may provide the name of more than 1
10 debtor and the name of more than 1 secured party.

11 **(6) THE NAME OF THE DECEDENT INDICATED ON THE ORDER APPOINTING**
12 **THE PERSONAL REPRESENTATIVE OF A DECEDENT ISSUED BY THE COURT THAT**
13 **HAS JURISDICTION OVER THE COLLATERAL IS SUFFICIENT AS THE "NAME OF**
14 **THE DECEDENT" UNDER SUBSECTION (1) (B).**

15 **(7) IF THIS STATE HAS ISSUED TO AN INDIVIDUAL MORE THAN 1**
16 **DRIVER LICENSE OR STATE PERSONAL IDENTIFICATION CARD OF A KIND**
17 **DESCRIBED IN SUBSECTION (1) (D), THE ONE THAT WAS ISSUED MOST**
18 **RECENTLY IS THE ONE TO WHICH SUBSECTION (1) (D) REFERS.**

19 **(8) AS USED IN THIS SECTION, THE "NAME OF THE SETTLOR OR**
20 **TESTATOR" MEANS ANY OF THE FOLLOWING:**

21 **(A) IF THE SETTLOR IS A REGISTERED ORGANIZATION, THE NAME THAT**
22 **IS STATED TO BE THE SETTLOR'S NAME ON THE PUBLIC ORGANIC RECORD**
23 **MOST RECENTLY FILED WITH OR ISSUED OR ENACTED BY THE SETTLOR'S**
24 **JURISDICTION OF ORGANIZATION WHICH PURPORTS TO STATE, AMEND, OR**
25 **RESTATE THE SETTLOR'S NAME.**

26 **(B) IN OTHER CASES, THE NAME OF THE SETTLOR OR TESTATOR**
27 **INDICATED IN THE TRUST'S ORGANIC RECORD.**

1 Sec. 9507. (1) A filed financing statement remains effective
2 with respect to collateral that is sold, exchanged, leased,
3 licensed, or otherwise disposed of and in which a security interest
4 or agricultural lien continues, even if the secured party knows of
5 or consents to the disposition.

6 (2) Except as otherwise provided in subsection (3) and section
7 9508, a financing statement is not rendered ineffective if, after
8 the financing statement is filed, the information provided in the
9 financing statement becomes seriously misleading under section
10 9506.

11 (3) If ~~a debtor so changes its~~ **THE** name that a filed financing
12 statement **PROVIDES FOR A DEBTOR BECOMES INSUFFICIENT AS THE NAME OF**
13 **THE DEBTOR UNDER SECTION 9503(1) SO THAT THE FINANCING STATEMENT**
14 becomes seriously misleading under section 9506, both of the
15 following apply:

16 (a) The financing statement is effective to perfect a security
17 interest in collateral acquired by the debtor before, or within 4
18 months after, the ~~change~~ **FILED FINANCING STATEMENT BECOMES**
19 **SERIOUSLY MISLEADING.**

20 (b) The financing statement is not effective to perfect a
21 security interest in collateral acquired by the debtor more than 4
22 months after the ~~change~~ **FILED FINANCING STATEMENT BECOMES SERIOUSLY**
23 **MISLEADING**, unless an amendment to the financing statement that
24 renders the financing statement not seriously misleading is filed
25 within 4 months after the ~~change~~ **THE FINANCING STATEMENT BECAME**
26 **SERIOUSLY MISLEADING.**

27 Sec. 9515. (1) Except as otherwise provided in subsections

1 (2), (5), (6), and (7), a filed financing statement is effective
2 for a period of 5 years after the date of filing.

3 (2) Except as otherwise provided in subsections (5), (6), and
4 (7), an initial financing statement filed in connection with a
5 manufactured-home transaction is effective for a period of 30 years
6 after the date of filing if it indicates that it is filed in
7 connection with a manufactured-home transaction.

8 (3) The effectiveness of a filed financing statement lapses on
9 the expiration of the period of its effectiveness unless before the
10 lapse a continuation statement is filed pursuant to subsection (4).
11 Upon lapse, a financing statement ceases to be effective and any
12 security interest or agricultural lien that was perfected by the
13 financing statement becomes unperfected, unless the security
14 interest is perfected otherwise. If the security interest or
15 agricultural lien becomes unperfected upon lapse, it is deemed
16 never to have been perfected as against a purchaser of the
17 collateral for value.

18 (4) A continuation statement may be filed only within 6 months
19 before the expiration of the 5-year period specified in subsection
20 (1) or the 30-year period specified in subsection (2), whichever is
21 applicable.

22 (5) Except as otherwise provided in section 9510, upon timely
23 filing of a continuation statement, the effectiveness of the
24 initial financing statement continues for a period of 5 years
25 commencing on the day on which the financing statement would have
26 become ineffective in the absence of the filing. Upon the
27 expiration of the 5-year period, the financing statement lapses in

1 the same manner as provided in subsection (3), unless, before the
2 lapse, another continuation statement is filed pursuant to
3 subsection (4). Succeeding continuation statements may be filed in
4 the same manner to continue the effectiveness of the initial
5 financing statement.

6 (6) If a debtor is an organization identified as a
7 transmitting utility and a filed initial financing statement so
8 indicates, the financing statement is effective until a termination
9 statement is filed. A financing statement that is filed before ~~the~~
10 ~~effective date of the amendatory act that added this sentence~~ **MARCH**
11 **29, 2009** is effective for a period of 5 years after the date of
12 filing and shall not be continued under this section if the
13 financing statement indicates either of the following:

14 (a) That the debtor is an individual purporting to be a
15 transmitting utility.

16 (b) That the debtor is an individual showing his or her name
17 as an organization and purporting to be a transmitting utility.

18 (7) A record of a mortgage that is effective as a financing
19 statement filed as a fixture filing under section 9502(3) remains
20 effective as a financing statement filed as a fixture filing until
21 the mortgage is released or satisfied of record or its
22 effectiveness otherwise terminates as to the real property.

23 Sec. 9516. (1) Except as otherwise provided in subsection (2),
24 communication of a record to a filing office and tender of the
25 filing fee or acceptance of the record by the filing office
26 constitutes filing.

27 (2) Filing does not occur with respect to a record that a

1 filing office refuses to accept because of 1 or more of the
2 following:

3 (a) The record is not communicated by a method or medium of
4 communication authorized by the filing office.

5 (b) An amount equal to or greater than the applicable filing
6 fee is not tendered.

7 (c) The filing office is unable to index the record because of
8 1 or more of the following:

9 (i) In the case of an initial financing statement, the record
10 does not provide a name for the debtor.

11 (ii) In the case of an amendment or ~~correction~~**INFORMATION**
12 statement, the record does not identify the initial financing
13 statement as required by section 9512 or 9518, as applicable, or
14 identifies an initial financing statement whose effectiveness has
15 lapsed under section 9515.

16 (iii) In the case of an initial financing statement that
17 provides the name of a debtor identified as an individual or an
18 amendment that provides a name of a debtor identified as an
19 individual that was not previously provided in the financing
20 statement to which the record relates, the record does not identify
21 the debtor's ~~last name~~**SURNAME**.

22 (iv) In the case of a record filed or recorded in the filing
23 office described in section 9501(1)(a), the record does not provide
24 a sufficient description of the real property to which it relates.

25 (d) In the case of an initial financing statement or an
26 amendment that adds a secured party of record, the record does not
27 provide a name and mailing address for the secured party of record.

1 (e) In the case of an initial financing statement or an
2 amendment that provides a name of a debtor which was not previously
3 provided in the financing statement to which the amendment relates,
4 the record does not provide or indicate 1 or more of the following:

5 (i) Provide a mailing address for the debtor.

6 (ii) Indicate whether the ~~debtor is~~ **NAME PROVIDED AS THE NAME**
7 **OF THE DEBTOR IS THE NAME OF** an individual or an organization.

8 ~~(iii) If the financing statement indicates that the debtor is an~~
9 ~~organization, provide 1 or more of the following:~~

10 ~~(A) A type of organization for the debtor.~~

11 ~~(B) A jurisdiction of organization for the debtor.~~

12 ~~(C) An organizational identification number for the debtor or~~
13 ~~indicate that the debtor has none.~~

14 (f) In the case of an assignment reflected in an initial
15 financing statement under section 9514(1) or an amendment filed
16 under section 9514(2), the record does not provide a name and
17 mailing address for the assignee.

18 (g) In the case of a continuation statement, the record is not
19 filed within the 6-month period prescribed by section 9515(4).

20 (3) For purposes of subsection (2), both of the following
21 apply:

22 (a) A record does not provide information if the filing office
23 is unable to read or decipher the information.

24 (b) A record that does not indicate that it is an amendment or
25 identify an initial financing statement to which it relates, as
26 required by section 9512, 9514, or 9518, is an initial financing
27 statement.

1 (4) A record that is communicated to the filing office with
2 tender of the filing fee, but which the filing office refuses to
3 accept for a reason other than one set forth in subsection (2) or
4 section 9520(5), is effective as a filed record except as against a
5 purchaser of the collateral which gives value in reasonable
6 reliance upon the absence of the record from the files.

7 Sec. 9518. (1) A person may file in the filing office a
8 ~~correction~~**AN INFORMATION** statement with respect to a record
9 indexed there under the person's name if the person believes that
10 the record is inaccurate or was wrongfully filed.

11 (2) ~~A correction~~**AN INFORMATION** statement **UNDER SUBSECTION (1)**
12 must do all of the following:

13 (a) Identify the record to which it relates by both of the
14 following:

15 (i) The file number assigned to the initial financing statement
16 to which the record relates.

17 (ii) If the ~~correction~~**INFORMATION** statement relates to a
18 record filed or recorded in a filing office described in section
19 9501(1)(a), the date that the initial financing statement was filed
20 or recorded and the information specified in section 9502(2).

21 (b) Indicate that it is a ~~correction~~**AN INFORMATION** statement.

22 (c) Provide the basis for the person's belief that the record
23 is inaccurate and indicate the manner in which the person believes
24 the record should be amended to cure any inaccuracy or provide the
25 basis for the person's belief that the record was wrongfully filed.

26 **(3) A PERSON MAY FILE IN THE FILING OFFICE AN INFORMATION**
27 **STATEMENT WITH RESPECT TO A RECORD FILED THERE IF THE PERSON IS A**

1 SECURED PARTY OF RECORD WITH RESPECT TO THE FINANCING STATEMENT TO
2 WHICH THE RECORD RELATES AND BELIEVES THAT THE PERSON THAT FILED
3 THE RECORD WAS NOT ENTITLED TO DO SO UNDER SECTION 9509(4).

4 (4) AN INFORMATION STATEMENT UNDER SUBSECTION (3) MUST DO ALL
5 OF THE FOLLOWING:

6 (A) IDENTIFY THE RECORD TO WHICH IT RELATES BY BOTH OF THE
7 FOLLOWING:

8 (i) THE FILE NUMBER ASSIGNED TO THE INITIAL FINANCING STATEMENT
9 TO WHICH THE RECORD RELATES.

10 (ii) IF THE INFORMATION STATEMENT RELATES TO A RECORD FILED OR
11 RECORDED IN A FILING OFFICE DESCRIBED IN SECTION 9501(1)(A), THE
12 DATE AND TIME THAT THE INITIAL FINANCING STATEMENT WAS FILED OR
13 RECORDED AND THE INFORMATION SPECIFIED IN SECTION 9502(2).

14 (B) INDICATE THAT IT IS AN INFORMATION STATEMENT.

15 (C) PROVIDE THE BASIS FOR THE PERSON'S BELIEF THAT THE PERSON
16 THAT FILED THE RECORD WAS NOT ENTITLED TO DO SO UNDER SECTION
17 9509(4).

18 (5) ~~(3)~~The filing of a ~~correction~~AN INFORMATION statement
19 does not affect the effectiveness of an initial financing statement
20 or other filed record.

21 Sec. 9521. (1) ~~A~~EXCEPT FOR A REASON SET FORTH IN SECTION
22 9516(2) OR 9520(5), A filing office that accepts written records
23 for filing shall not refuse to accept a written initial financing
24 statement that conforms to the ~~current format prescribed by the~~
25 ~~national conference of commissioners on uniform state laws, except~~
26 ~~for a reason set forth in section 9516(2) or 9520(5).~~FORM AND
27 FORMAT OF THE UCC FINANCING STATEMENT (FORM UCC1) (REV. 04/20/11) OR

1 THE UCC FINANCING STATEMENT ADDENDUM (FORM UCC1AD) (REV. 04/20/11),
 2 PROMULGATED BY THE AMERICAN LAW INSTITUTE AND THE UNIFORM LAW
 3 COMMISSION, OR TO THE FORM AND FORMAT OF ANY OTHER REVISION TO OR
 4 VERSION OF EITHER OF THOSE FORMS THAT ARE PROMULGATED BY THE
 5 AMERICAN LAW INSTITUTE AND THE UNIFORM LAW COMMISSION AND ADOPTED
 6 BY THE SECRETARY OF STATE.

7 (2) ~~A~~ EXCEPT FOR A REASON SET FORTH IN SECTION 9516(2) OR
 8 9520(5), A filing office that accepts written records for filing
 9 shall not refuse to accept a written financing statement amendment
 10 ~~on a form that conforms to the current format prescribed by the~~
 11 ~~national conference of commissioners on uniform state laws, except~~
 12 ~~for a reason set forth in section 9516(2) or 9520(5).~~ THAT CONFORMS
 13 TO THE FORM AND FORMAT OF THE UCC FINANCING STATEMENT AMENDMENT
 14 (FORM UCC3) (REV. 04/20/11) OR THE UCC FINANCING STATEMENT AMENDMENT
 15 ADDENDUM (FORM UCC3AD) (REV. 04/20/11), PROMULGATED BY THE AMERICAN
 16 LAW INSTITUTE AND THE UNIFORM LAW COMMISSION, OR TO THE FORM AND
 17 FORMAT OF ANY OTHER REVISION TO OR VERSION OF EITHER OF THOSE FORMS
 18 THAT ARE PROMULGATED BY THE AMERICAN LAW INSTITUTE AND THE UNIFORM
 19 LAW COMMISSION AND ADOPTED BY THE SECRETARY OF STATE.

20 Sec. 9607. (1) If so agreed, and in any event after default, a
 21 secured party may do 1 or more of the following:

22 (a) Notify an account debtor or other person obligated on
 23 collateral to make payment or otherwise render performance to or
 24 for the benefit of the secured party.

25 (b) Take any proceeds to which the secured party is entitled
 26 under section 9315.

27 (c) Enforce the obligations of an account debtor or other

1 person obligated on collateral and exercise the rights of the
2 debtor with respect to the obligation of the account debtor or
3 other person obligated on collateral to make payment or otherwise
4 render performance to the debtor, and with respect to any property
5 that secures the obligations of the account debtor or other person
6 obligated on the collateral.

7 (d) If it holds a security interest in a deposit account
8 perfected by control under section 9104(1)(a), apply the balance of
9 the deposit account to the obligation secured by the deposit
10 account.

11 (e) If it holds a security interest in a deposit account
12 perfected by control under section 9104(1)(b) or (c), instruct the
13 bank to pay the balance of the deposit account to or for the
14 benefit of the secured party.

15 (2) If necessary to enable a secured party to exercise under
16 subsection (1)(c) the right of a debtor to enforce a mortgage
17 nonjudicially, the secured party may record both of the following
18 in the office in which a record of the mortgage is recorded:

19 (a) A copy of the security agreement that creates or provides
20 for a security interest in the obligation secured by the mortgage.

21 (b) The secured party's sworn affidavit in recordable form
22 stating ~~that~~ **BOTH OF THE FOLLOWING:**

23 (i) **THAT** a default has occurred ~~and the~~ **WITH RESPECT TO THE**
24 **OBLIGATION SECURED BY THE MORTGAGE.**

25 (ii) **THAT THE** secured party is entitled to enforce the mortgage
26 nonjudicially.

27 (3) A secured party shall proceed in a commercially reasonable

1 manner if the secured party meets both of the following:

2 (a) Undertakes to collect from or enforce an obligation of an
3 account debtor or other person obligated on collateral.

4 (b) Is entitled to charge back uncollected collateral or
5 otherwise to full or limited recourse against the debtor or a
6 secondary obligor.

7 (4) A secured party may deduct from the collections made
8 pursuant to subsection (3) reasonable expenses of collection and
9 enforcement, including reasonable attorney fees and legal expenses
10 incurred by the secured party.

11 (5) This section does not determine whether an account debtor,
12 bank, or other person obligated on collateral owes a duty to a
13 secured party.

14 **PART 8**

15 **TRANSITION PROVISIONS FOR 2010 AMENDMENTS**

16 **SEC. 9801. AS USED IN THIS PART:**

17 (A) "PRE-EFFECTIVE-DATE FINANCING STATEMENT" MEANS A FINANCING
18 STATEMENT FILED BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY ACT.

19 (B) "THIS AMENDATORY ACT" MEANS THE AMENDATORY ACT THAT ADDED
20 THIS PART.

21 (C) "THIS AMENDED ARTICLE" MEANS THIS ARTICLE AS AMENDED BY
22 THIS AMENDATORY ACT.

23 **SEC. 9802. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS PART, THIS**
24 **AMENDATORY ACT APPLIES TO A TRANSACTION OR LIEN WITHIN ITS SCOPE,**
25 **EVEN IF THE TRANSACTION OR LIEN WAS ENTERED INTO OR CREATED BEFORE**
26 **THE EFFECTIVE DATE OF THIS AMENDATORY ACT.**

27 (2) THIS AMENDATORY ACT DOES NOT AFFECT AN ACTION, CASE, OR

1 PROCEEDING COMMENCED BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY
2 ACT.

3 SEC. 9803. (1) A SECURITY INTEREST THAT IS A PERFECTED
4 SECURITY INTEREST IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS
5 AMENDATORY ACT IS A PERFECTED SECURITY INTEREST UNDER THIS AMENDED
6 ARTICLE IF, ON THE EFFECTIVE DATE OF THIS AMENDATORY ACT, THE
7 APPLICABLE REQUIREMENTS FOR ATTACHMENT AND PERFECTION UNDER THIS
8 AMENDED ARTICLE ARE SATISFIED WITHOUT FURTHER ACTION.

9 (2) EXCEPT AS OTHERWISE PROVIDED IN SECTION 9805, IF,
10 IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY ACT, A
11 SECURITY INTEREST IS A PERFECTED SECURITY INTEREST, BUT THE
12 APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS AMENDED ARTICLE
13 ARE NOT SATISFIED ON THE EFFECTIVE DATE OF THIS AMENDATORY ACT, THE
14 SECURITY INTEREST REMAINS PERFECTED THEREAFTER ONLY IF THE
15 APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS AMENDED ARTICLE
16 ARE SATISFIED WITHIN 1 YEAR AFTER THE EFFECTIVE DATE OF THIS
17 AMENDATORY ACT.

18 SEC. 9804. A SECURITY INTEREST THAT IS AN UNPERFECTED SECURITY
19 INTEREST IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY
20 ACT BECOMES A PERFECTED SECURITY INTEREST WHEN EITHER OF THE
21 FOLLOWING OCCURS:

22 (A) WITHOUT FURTHER ACTION, ON THE EFFECTIVE DATE OF THIS
23 AMENDATORY ACT IF THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER
24 THIS AMENDED ARTICLE ARE SATISFIED BEFORE OR AT THAT TIME.

25 (B) WHEN THE APPLICABLE REQUIREMENTS FOR PERFECTION ARE
26 SATISFIED IF THE REQUIREMENTS ARE SATISFIED AFTER THE EFFECTIVE
27 DATE OF THIS AMENDATORY ACT.

1 SEC. 9805. (1) THE FILING OF A FINANCING STATEMENT BEFORE THE
2 EFFECTIVE DATE OF THIS AMENDATORY ACT IS EFFECTIVE TO PERFECT A
3 SECURITY INTEREST TO THE EXTENT THAT THE FILING WOULD SATISFY THE
4 APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS AMENDED ARTICLE.

5 (2) THIS AMENDATORY ACT DOES NOT RENDER INEFFECTIVE AN
6 EFFECTIVE FINANCING STATEMENT THAT IS FILED BEFORE THE EFFECTIVE
7 DATE OF THIS AMENDATORY ACT AND SATISFIES THE APPLICABLE
8 REQUIREMENTS FOR PERFECTION UNDER THE LAW OF THE JURISDICTION
9 GOVERNING PERFECTION AS PROVIDED IN THIS ARTICLE AS IT EXISTED
10 BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY ACT. HOWEVER, EXCEPT
11 AS OTHERWISE PROVIDED IN SUBSECTIONS (3) AND (4) AND SECTION 9806,
12 THE FINANCING STATEMENT CEASES TO BE EFFECTIVE AT 1 OF THE
13 FOLLOWING TIMES, AS APPLICABLE:

14 (A) IF THE FINANCING STATEMENT IS FILED IN THIS STATE, AT THE
15 TIME THE FINANCING STATEMENT WOULD HAVE CEASED TO BE EFFECTIVE HAD
16 THIS AMENDATORY ACT NOT TAKEN EFFECT.

17 (B) IF THE FINANCING STATEMENT IS FILED IN ANOTHER
18 JURISDICTION, AT THE EARLIER OF THE FOLLOWING:

19 (i) THE TIME THE FINANCING STATEMENT WOULD HAVE CEASED TO BE
20 EFFECTIVE UNDER THE LAW OF THAT JURISDICTION.

21 (ii) JUNE 30, 2018.

22 (3) THE FILING OF A CONTINUATION STATEMENT AFTER THE EFFECTIVE
23 DATE OF THIS AMENDATORY ACT DOES NOT CONTINUE THE EFFECTIVENESS OF
24 A FINANCING STATEMENT FILED BEFORE THE EFFECTIVE DATE OF THIS
25 AMENDATORY ACT. HOWEVER, UPON THE TIMELY FILING OF A CONTINUATION
26 STATEMENT AFTER THE EFFECTIVE DATE OF THIS AMENDATORY ACT AND IN
27 ACCORDANCE WITH THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS

1 PROVIDED IN THIS AMENDED ARTICLE, THE EFFECTIVENESS OF A FINANCING
2 STATEMENT FILED IN THE SAME OFFICE IN THAT JURISDICTION BEFORE THE
3 EFFECTIVE DATE OF THIS AMENDATORY ACT CONTINUES FOR THE PERIOD
4 PROVIDED BY THE LAW OF THAT JURISDICTION.

5 (4) SUBSECTION (2) (B) (ii) APPLIES TO A FINANCING STATEMENT THAT
6 IS FILED BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY ACT AGAINST A
7 TRANSMITTING UTILITY AND SATISFIES THE APPLICABLE REQUIREMENTS FOR
8 PERFECTION UNDER THE LAW OF THE JURISDICTION GOVERNING PERFECTION
9 AS PROVIDED IN THIS ARTICLE BEFORE THE EFFECTIVE DATE OF THIS
10 AMENDATORY ACT, ONLY TO THE EXTENT THAT THIS AMENDED ARTICLE
11 PROVIDES THAT THE LAW OF A JURISDICTION OTHER THAN THE JURISDICTION
12 IN WHICH THE FINANCING STATEMENT IS FILED GOVERNS PERFECTION OF A
13 SECURITY INTEREST IN COLLATERAL COVERED BY THE FINANCING STATEMENT.

14 (5) A FINANCING STATEMENT THAT INCLUDES A FINANCING STATEMENT
15 FILED BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY ACT AND A
16 CONTINUATION STATEMENT FILED AFTER THE EFFECTIVE DATE OF THIS
17 AMENDATORY ACT IS EFFECTIVE ONLY TO THE EXTENT THAT IT SATISFIES
18 THE REQUIREMENTS OF PART 5 AS AMENDED BY THIS AMENDATORY ACT FOR AN
19 INITIAL FINANCING STATEMENT. A FINANCING STATEMENT THAT INDICATES
20 THAT THE DEBTOR IS A DECEDENT'S ESTATE INDICATES THAT THE
21 COLLATERAL IS BEING ADMINISTERED BY A PERSONAL REPRESENTATIVE
22 WITHIN THE MEANING OF SECTION 9503 (1) (B) AS AMENDED BY THIS
23 AMENDATORY ACT. A FINANCING STATEMENT THAT INDICATES THAT THE
24 DEBTOR IS A TRUST OR IS A TRUSTEE ACTING WITH RESPECT TO PROPERTY
25 HELD IN TRUST INDICATES THAT THE COLLATERAL IS HELD IN A TRUST
26 WITHIN THE MEANING OF SECTION 9503 (1) (C) AS AMENDED BY THIS
27 AMENDATORY ACT.

1 SEC. 9806. (1) THE FILING OF AN INITIAL FINANCING STATEMENT IN
2 THE OFFICE SPECIFIED IN SECTION 9501 CONTINUES THE EFFECTIVENESS OF
3 A PRE-EFFECTIVE-DATE FINANCING STATEMENT IF ALL OF THE FOLLOWING
4 ARE MET:

5 (A) THE FILING OF AN INITIAL FINANCING STATEMENT IN THAT
6 OFFICE WOULD BE EFFECTIVE TO PERFECT A SECURITY INTEREST UNDER THIS
7 AMENDED ARTICLE.

8 (B) THE PRE-EFFECTIVE-DATE FINANCING STATEMENT WAS FILED IN AN
9 OFFICE IN ANOTHER STATE.

10 (C) THE INITIAL FINANCING STATEMENT SATISFIES SUBSECTION (3).

11 (2) THE FILING OF AN INITIAL FINANCING STATEMENT UNDER
12 SUBSECTION (1) CONTINUES THE EFFECTIVENESS OF THE
13 PRE-EFFECTIVE-DATE FINANCING STATEMENT FOR 1 OF THE FOLLOWING
14 PERIODS:

15 (A) IF THE INITIAL FINANCING STATEMENT IS FILED BEFORE THE
16 EFFECTIVE DATE OF THIS AMENDATORY ACT, FOR THE PERIOD PROVIDED IN
17 SECTION 9515 AS IT EXISTED BEFORE THE EFFECTIVE DATE OF THIS
18 AMENDATORY ACT WITH RESPECT TO AN INITIAL FINANCING STATEMENT.

19 (B) IF THE INITIAL FINANCING STATEMENT IS FILED AFTER THE
20 EFFECTIVE DATE OF THIS AMENDATORY ACT, FOR THE PERIOD PROVIDED IN
21 SECTION 9515 AS AMENDED BY THIS AMENDATORY ACT WITH RESPECT TO AN
22 INITIAL FINANCING STATEMENT.

23 (3) TO BE EFFECTIVE FOR PURPOSES OF SUBSECTION (1), AN INITIAL
24 FINANCING STATEMENT MUST DO ALL OF THE FOLLOWING:

25 (A) SATISFY THE REQUIREMENTS OF PART 5 AS AMENDED BY THIS
26 AMENDATORY ACT FOR AN INITIAL FINANCING STATEMENT.

27 (B) IDENTIFY THE PRE-EFFECTIVE-DATE FINANCING STATEMENT BY

1 INDICATING THE OFFICE IN WHICH THE FINANCING STATEMENT WAS FILED
2 AND PROVIDING THE DATES OF FILING AND FILE NUMBERS, IF ANY, OF THE
3 FINANCING STATEMENT AND OF THE MOST RECENT CONTINUATION STATEMENT
4 FILED WITH RESPECT TO THE FINANCING STATEMENT.

5 (C) INDICATE THAT THE PRE-EFFECTIVE-DATE FINANCING STATEMENT
6 REMAINS EFFECTIVE.

7 SEC. 9807. (1) AFTER THE EFFECTIVE DATE OF THIS AMENDATORY
8 ACT, A PERSON MAY ADD OR DELETE COLLATERAL COVERED BY, CONTINUE OR
9 TERMINATE THE EFFECTIVENESS OF, OR OTHERWISE AMEND THE INFORMATION
10 PROVIDED IN, A PRE-EFFECTIVE-DATE FINANCING STATEMENT ONLY IN
11 ACCORDANCE WITH THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS
12 PROVIDED IN THIS AMENDED ARTICLE. HOWEVER, THE EFFECTIVENESS OF A
13 PRE-EFFECTIVE-DATE FINANCING STATEMENT ALSO MAY BE TERMINATED IN
14 ACCORDANCE WITH THE LAW OF THE JURISDICTION IN WHICH THE FINANCING
15 STATEMENT IS FILED.

16 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), IF THE LAW
17 OF THIS STATE GOVERNS PERFECTION OF A SECURITY INTEREST, THE
18 INFORMATION IN A PRE-EFFECTIVE-DATE FINANCING STATEMENT MAY BE
19 AMENDED AFTER THE EFFECTIVE DATE OF THIS AMENDATORY ACT ONLY IF 1
20 OF THE FOLLOWING IS MET:

21 (A) THE PRE-EFFECTIVE-DATE FINANCING STATEMENT AND AN
22 AMENDMENT ARE FILED IN THE OFFICE SPECIFIED IN SECTION 9501.

23 (B) AN AMENDMENT IS FILED IN THE OFFICE SPECIFIED IN SECTION
24 9501 CONCURRENTLY WITH, OR AFTER THE FILING IN THAT OFFICE OF, AN
25 INITIAL FINANCING STATEMENT THAT SATISFIES SECTION 9806(3).

26 (C) AN INITIAL FINANCING STATEMENT THAT PROVIDES THE
27 INFORMATION AS AMENDED AND SATISFIES SECTION 9806(3) IS FILED IN

1 THE OFFICE SPECIFIED IN SECTION 9501.

2 (3) IF THE LAW OF THIS STATE GOVERNS PERFECTION OF A SECURITY
3 INTEREST, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE FINANCING
4 STATEMENT MAY BE CONTINUED ONLY UNDER SECTION 9805(3) AND (5) OR
5 9806.

6 (4) WHETHER OR NOT THE LAW OF THIS STATE GOVERNS PERFECTION OF
7 A SECURITY INTEREST, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE
8 FINANCING STATEMENT FILED IN THIS STATE MAY BE TERMINATED AFTER THE
9 EFFECTIVE DATE OF THIS AMENDATORY ACT BY FILING A TERMINATION
10 STATEMENT IN THE OFFICE IN WHICH THE PRE-EFFECTIVE-DATE FINANCING
11 STATEMENT IS FILED, UNLESS AN INITIAL FINANCING STATEMENT THAT
12 SATISFIES SECTION 9806(3) HAS BEEN FILED IN THE OFFICE SPECIFIED BY
13 THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN
14 THIS AMENDED ARTICLE AS THE OFFICE IN WHICH TO FILE A FINANCING
15 STATEMENT.

16 SEC. 9808. A PERSON MAY FILE AN INITIAL FINANCING STATEMENT OR
17 A CONTINUATION STATEMENT UNDER THIS PART IF ALL OF THE FOLLOWING
18 ARE MET:

19 (A) THE SECURED PARTY OF RECORD AUTHORIZES THE FILING.

20 (B) THE FILING IS NECESSARY UNDER THIS PART TO DO ANY OF THE
21 FOLLOWING:

22 (i) TO CONTINUE THE EFFECTIVENESS OF A FINANCING STATEMENT
23 FILED BEFORE THE EFFECTIVE DATE OF THIS AMENDATORY ACT.

24 (ii) TO PERFECT OR CONTINUE THE PERFECTION OF A SECURITY
25 INTEREST.

26 SEC. 9809. THIS AMENDATORY ACT DETERMINES THE PRIORITY OF
27 CONFLICTING CLAIMS TO COLLATERAL. HOWEVER, IF THE RELATIVE

1 PRIORITIES OF THE CLAIMS WERE ESTABLISHED BEFORE THE EFFECTIVE DATE
2 OF THIS AMENDATORY ACT, THIS ARTICLE AS IT EXISTED BEFORE THE
3 EFFECTIVE DATE OF THIS AMENDATORY ACT DETERMINES PRIORITY.

4 Enacting section 1. Article 11 of the uniform commercial code,
5 1962 PA 174, MCL 440.11101 to 440.11102, is repealed.

6 Enacting section 2. This amendatory act takes effect July 1,
7 2013.

8 Enacting section 3. This amendatory act does not take effect
9 unless all of the following bills of the 96th Legislature are
10 enacted into law:

11 (a) House Bill No. 5081.

12 (b) House Bill No. 5082.