

CENTRAL FILING OFFICE ACTION GUIDELINES UNDER REVISED ARTICLE 9

INITIAL FINANCING STATEMENT*

- Section 554.9520(1) states that "A filing office shall refuse to accept a record for filing for a reason set forth in section 554.9516, subsection 2, and may refuse to accept a record for filing only for a reason set forth in section 554.9516, subsection 2." Therefore, there are only a limited number of reasons for which a filing office may reject a financing statement. Every financing statement that is presented for filing must be accepted for filing unless one of the statutory grounds for rejection specified in 554.9516(2) is applicable.
- Section 554.9520(2) states that "If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it." See "Notice of Refusal to Accept Record Presented for Filing" form.

| Description | Action | Revised Article 9 Section |
|---|--------|---------------------------|
| 1. The record is not communicated by a method or medium of communication authorized by the filing office. | Reject | 554.9516(2)(a) |
| 2. An amount equal to or greater than the applicable filing fee is not tendered. | Reject | 554.9516(2)(b) |
| 3. The filing officer is unable to read or decipher the information. | Reject | 554.9516(3)(a) |
| 4. The record does not provide a name for the debtor. | Reject | 554.9516(2)(c)(1) |
| 5. The record does not indicate whether the debtor is an individual or an organization. | Reject | 554.9516(2)(e)(2) |
| 6. If the debtor is identified as an individual, the record does not identify the debtor's surname. | Reject | 554.9516(2)(c)(3) |
| 7. The record does not provide a mailing address for the debtor. | Reject | 554.9516(2)(e)(1)** |
| 8. The record does not provide a name and mailing address for the secured party of record. | Reject | 554.9516(2)(d)** |
| 9. If an assignment is reflected, the record does not provide a name and mailing address | Reject | 554.9516(2)(f) |

| Description | Action | Revised Article 9 Section |
|--|--------|-----------------------------|
| <i>Listed below are examples of situations in which an Initial Financing Statement would be filed:</i> | | |
| 1. Excessive fee tendered | File | [554.9516(2)(b)] |
| 2. The record does not provide debtor signature | File | [554.9502(1) & 554.9516(2)] |
| 3. The record does not provide secured party signature. | File | [554.9502(1) & 554.9516(2)] |
| 4. There is no collateral description listed. | File | [554.9516(2)]*** |

** Sections 554.9502(1) and (2) do not require debtor or secured party address to create a sufficient financing statement. Sections 554.9516(2)(d) and 554.9516(2)(e)(1), however, list the absence of the secured party or debtor address as a ground for a filing office to refuse acceptance of the filing.

*** Section 554.9502(1)(c) requires an indication of collateral covered by the financing statement to create a sufficient financing statement. Section 554.9516(2) does not list the absence of a collateral description as a ground for rejection.

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FINANCING STATEMENT AMENDMENT*

An Amendment includes Termination, Continuation, Assignment, Amendment (party information) and Amendment (collateral change).**

- Section 554.9520(1) states that “A filing office shall refuse to accept a record for filing for a reason set forth in section 554.9516, subsection 2, and may refuse to accept a record for filing only for a reason set forth in section 554.9516, subsection 2.” Therefore, there are only a specified number of reasons for which a filing officer may reject a financing statement. Every financing statement that is presented for filing must be accepted for filing unless one of the statutory grounds for rejection found in 554.9516(2) is applicable.
- Section 554.9520(2) states that “If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it.” See “Notice of Refusal to Accept Record Presented for Filing” form.
- Receipt of a Financing Statement Amendment should never result in the deletion from the record or the index of previously filed financing statement information. Assignments and Amendments (party information) will result in additions to, but not deletions from, the index. All Financing Statement Amendment information should be made available to searchers together with the Initial Financing Statement information. Initial Financing Statement (and all related Financing Statement Amendment(s)) information may be deleted or purged from the filing office records no sooner than one year after the effectiveness of a filed financing statement has lapsed under section 554.9515 with respect to all secured parties of record. When lapse occurs depends on whether a Continuation has been timely filed.

Statutory Grounds for Rejection for All Amendments

| Description | <u>Action</u> | Revised Article 9 Section |
|--|---------------|---------------------------|
| 1. The record is not communicated by a method or medium of communication authorized by the filing office. | Reject | 554.9516(2)(a) |
| 2. An amount equal to or greater than the filing fee is not tendered. | Reject | 554.9516(2)(b) |
| 3. The filing officer is unable to read or decipher the information. | Reject | 554.9516(3)(a) |
| 4. The record fails to identify by file number the initial financing statement to which it relates. | Reject | 554.9516(2)(c)(2)(a) |
| 5. The record identifies an initial financing statement whose effectiveness has lapsed under section 554.9515. | Reject | 554.9516(2)(c)(2)(b) |

Additional Statutory Grounds for Rejection for Specific Types of Amendments

CONTINUATION

Under Revised Article 9, section 554.9512(1), a continuation is an amendment of a financing statement.

| Description | Action | Revised Article 9 Section |
|---|--------|---------------------------|
| 1. Not filed within the prescribed 6-month window (immediately preceding lapse date). | Reject | 554.9516(2)(g) |

ASSIGNMENT

Under Revised Article 9, section 554.9514(2), an assignment is an amendment of a financing statement.

| Description | Action | Revised Article 9 Section |
|--|--------|---------------------------|
| 1. Failure to provide name and mailing address for assignee. | Reject | 554.9516(2)(f) |

AMENDMENT (Party Information)

| Description | Action | Revised Article 9 Section |
|--|--------|---------------------------|
| <i>Amendment that provides a debtor name that was not previously provided:</i> | | |
| 1. The amendment does not indicate whether the debtor is an individual or an organization. | Reject | 554.9516(2)(e)(2) |
| 2. If the debtor is identified as an individual, the amendment does not identify the debtor's surname. | Reject | 554.9516(2)(c)(3) |
| 3. The amendment does not provide a mailing address for the debtor. | Reject | 554.9516(2)(e)(1)*** |
| <i>Amendment that adds a secured party of record:</i> | | |
| 1. The amendment does not provide a name and mailing address for the secured party of record. | Reject | 554.9516(2)(d)*** |

| <i>Listed below are examples of situations in which an Amendment to financing statement would be filed:</i> | | |
|---|------|------------------------|
| 1. Excess fee tendered. | File | [554.9516(2)(b)] |
| 2. No debtor name (unless the record is adding a debtor name). | File | [554.9516(2)(c)(2)] |
| 3. No debtor address (unless the record is adding a debtor name). | File | [554.9516(2)(e)(1)] |
| 4. No secured party name (unless the record is adding a secured party of record). | File | [554.9516(2)(d)] |
| 5. No secured party address (unless the record is adding a secured party of record). | File | [554.9516(2)(d)] |
| 6. No debtor signature. | File | [554.9516(2)] |
| 7. No secured party signature. | File | [554.9516(2)] |
| 8. Valid file number, non-matching date of filing. | File | [554.9516(2)(c)(2)(a)] |
| 9. Debtor name does not match. | File | [554.9516(2)(c)(2)(a)] |
| 10. Debtor Address does not match. | File | [554.9516(2)(c)(2)(a)] |
| 11. Secured Party name does not match. | File | [554.9516(2)(c)(2)(a)] |
| 12. Secured Party address does not match. | File | [554.9516(2)(c)(2)(a)] |
| 13. Filed after a termination has been filed. | File | [554.9516(2)] |
| 14. There is no collateral description listed. | File | [554.9516(2)]**** |

** Section 554.9516(3)(b) states that, for purposes of section 554.9516(2), “a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by section 554.9512, 554.9514, or 554.9518, is an initial financing statement.”

*** Sections 554.9502(1) and (2) do not require debtor or secured party address to create a sufficient financing statement. Sections 554.9516(2)(d) and 554.9516(2)(e)(1), however, list the absence of the secured party or debtor address as a ground for a filing office to refuse acceptance of the filing.

**** Section 554.9502(1)(c) requires an indication of collateral covered by the financing statement to create a sufficient financing statement. Section 554.9516(2) does not list the absence of a collateral description as a ground for rejection.

Prepared by:
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