



UCC Revised Article 9 Customer Filing Guide

December 2001

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INTRODUCTION

The Mississippi Legislature enacted Revised Article 9 of the Uniform Commercial Code during the 2001 Regular Legislative Session (Senate Bill 2626). This legislation, effective on **January 1, 2002**, is based on the UCC Revised Article 9 (RA9) Model Act as drafted by the National Conference of Commissioners on Uniform State Laws (NCCUSL). Objectives of UCC RA9 are to promote uniformity, reduce costs, increase efficiency, and simplify the filing process.

Revised Article 9 as adopted in Mississippi designates the Secretary of State's Office as the central filing office for most UCC documents. In addition to accepting and maintaining a database of financing statements, amendments, and correction statements, the Secretary of State provides information to concerned parties on filed documents.

This publication is a guide to assist in the filing, maintaining, and reporting of UCC documents recorded with the Secretary of State under the provisions of RA9. It also explains how to

request document searches of UCC filings with the Secretary of State.

This publication is not a technical or comprehensive manual on secured transactions under Revised Article 9 of the Uniform Commercial Code in Mississippi and is neither a replacement for applicable statutes nor a substitute for legal or other professional advice.

This guide reflects RA9 UCC filing and search procedures effective **January 1, 2002**. This document will be updated as required. For the most up-to-date version, please visit the Secretary of State web site at (www.sos.state.ms.us) for an electronic copy of this document, as well as other information on RA9.

WHAT'S NEW WITH THE PASSAGE OF RA9?

- ❖ **One filing office:** Most UCC financing statements are filed centrally with the Secretary of State. However, real estate filings covering fixtures (with some exceptions), timber, and mineral interests are filed with the county Chancery Clerk in the county where the collateral is located.
- ❖ **Correction statement:** A person who believes a financing statement is inaccurate or misfiled is permitted to file a "correction statement." This statement becomes linked to the initial financing statement and is reported in search results, but does not modify any information maintained by the Secretary of State.
- ❖ **Debtor name:** Explicit requirements for identifying individual and organization debtors in financing statements have been adopted.

- ❖ **Filing jurisdiction:** New provisions simplify where to file financing statements. In most instances UCC filings are made in the state where the debtor is located. The location of collateral is not relevant to the filing location except in special circumstances.
- ❖ **Forms:** The Secretary of State has created and approved nine standardized forms for filing financing statements and amendments. These include a modified version of the standard financing statement form to be filed “in lieu of” a continuation statement where effective financing statements were previously recorded in an office other than the Mississippi Secretary of State. Farm commodity filings must be submitted on the Secretary of State approved forms to comply with federal law.
- ❖ **Limited grounds for filing rejection:** The Secretary of State can reject documents only for specific reasons. This may result in the filing and acceptance of a legally ineffective financing statement due to errors by the submitting party.
- ❖ **Records management and reporting:** The Secretary of State must maintain each financing statement, link all subsequent filings, and report the record until one year after the lapse of the initial financing statement, even if the financing statement was terminated.
- ❖ **Signatures:** Signatures have been eliminated for financing statements, with the exception of farm commodity filings.

THINGS TO CONSIDER WHEN PREPARING A UCC FILING

FORMS

With the passage of RA9, the Secretary of State’s Office has adopted *new* UCC Forms. The following forms have been revised and/or adopted:

- ❖ **Mississippi UCC1 Financing Statement.** A non-agricultural, initial financing statement should be filed on the Mississippi Financing

Statement Form UCC1, and, if applicable, the Mississippi Financing Statement Addendum Form UCC1Ad. The UCC1Ad form is attached to the UCC1 form on the web site. Instructions for completing both forms are also attached.

- ❖ **Mississippi UCC1 In Lieu Of Financing Statement.** This type of filing is needed to address moving a filing to the proper filing office as defined under RA9. For example, under the previous UCC Article 9, financing statements were filed in the location of the collateral. Under RA9, the location of the debtor is what directs the location of filing. If a customer seeks to amend a filing made originally in another jurisdiction, the customer should first file an In Lieu Of filing with the Secretary of State.

The UCC1 In Lieu Of Financing Statement Addendum form is also provided, attached to the UCC1 In Lieu Of Financing Statement form on the web site. Instructions for both forms are also attached.

- ❖ **Mississippi UCC3 Financing Statement Amendment Form.** A financing statement amendment should be filed on this form and, if applicable, the Mississippi Financing Statement Amendment Addendum Form UCC3Ad attached to the UCC3 form on the web site. Instructions for both forms are also attached.
- ❖ **Mississippi UCC1F Farm Products Filing Financing Statement Form.** A financing statement covering agricultural collateral should be filed on this form and, if applicable, the Mississippi UCC1F Ad Farm Products Filing Financing Statement Addendum Form attached to the UCC1F form on the web site. Instructions for both forms are also attached.
- ❖ **Mississippi UCC3F Farm Products Filing Financing Statement Amendment Form.** A financing statement amendment covering agricultural collateral should be filed on this form. Instructions for this form are attached.

- ❖ **National UCC5 Correction Statement.** A Correction Statement is a UCC document that claims a financing statement is inaccurate

or wrongfully filed. Any party to a transaction may file a correction statement. Both the form and the instructions are available on the web site.

700 North Street
Jackson, Mississippi 39202

- ❖ **National UCC11 Information Request Form (search form);** search requests must be submitted on this form. Both form and instructions are available on the web site.

All forms and instructions are available on the web site. The Office will also accept the National UCC forms adopted for use by NCCUSL. Parties submitting UCC forms are encouraged to read form instructions carefully, as the Office is only able to answer the most basic questions related to filling out the forms.

CONTACT INFORMATION

If you have questions you have several ways to obtain assistance. The quickest way to find answers to your questions is to visit the Secretary of State web site (www.sos.state.ms.us). In addition, the Business Services Division has set up an email address to answer RA9 questions (ra9questions@sos.state.ms.us). Also, you may call the Customer Service Center, which is open from 8:00 AM to 5:00 PM on weekdays. Call toll free at 1-800-256-3494, or call 601-359-1633 if you are in the Jackson area.

If you have a question about when to use a certain form, or how to enter certain fields (the collateral field, for example), consult with your attorney. Unfortunately, the Secretary of State's Office cannot give legal advice.

Mailing Address

Documents should be mailed to:

Mississippi Secretary of State
Business Services Division
P O Box 136
Jackson, MS 39205

Physical Address

Should you prefer to deliver documents to the Office in person, via Express Mail, or Courier delivery the address is:

Mississippi Secretary of State
Business Services Division 700 North

DATE & FILING TIME

When the Office receives filings, the documents are assigned an official date and time. The date assigned to a record is simply the date the office receives the record.

Personal Delivery. The filing time for UCC documents personally delivered to the Secretary of State's Office, Business Services Division will be stamped on the document. This time is the official filing time.

Express Mail and Courier Delivery. All UCC documents delivered by Express Mail and Courier Delivery received prior to 12:00 p.m. on a business day will receive a filing time of 12:00 p.m. Courier delivery of UCC documents after 12:00 p.m. and before the close of business on a business day, will receive a filing time of 5:00 p.m.

Standard Postal Service Delivery. UCC documents delivered by Standard Postal Service Delivery to the Secretary of State's mailing address will receive a filing time of 8:00 a.m. on the day of delivery if the filing office is open for business on the delivery day. 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 8:00 a.m. on the next day the filing office is open for business.

FEES

Be sure to include the proper fee when filing UCC documents. Filings that do not include the proper fee will be rejected and returned for filing again. A fee schedule is included as part of the "UCC RA9 Summary" attachment at the end of this document. Please refer to this fee schedule each time you file a UCC document.

The Secretary of State's Office cannot accept credit cards or debit cards as payment for UCC filings at this time. Only checks (made payable to the Secretary of State) and ACH (Automated Clearing House) debits are accepted.

It is also important to note that checks accompanying UCC filings will only be applied to those UCC filings. In the past, customers have attempted to pay for a UCC filing and some other service (like a Corporate filing) with a single check. If this occurs, the payment will only be applied to the UCC filing, and any additional money will be refunded later. The “other service” in this case will go unpaid, and may consequently be denied or rejected. For example, if a person sends a UCC1 filing (\$10) and a Corporate Annual Report (\$25) with a single check for \$35, the office would process the \$35 check as payment for the \$10 UCC filing; the other \$25 would be refunded. Thus, the Corporate Annual Report would be rejected for lack of payment. Systems limitations prevent the Secretary of State’s Office, Business Services Division from applying single checks to different systems (in this case the UCC Information System and the Corporate Information System). Please note: Single checks for multiple UCC filings are accepted.

REJECT REASONS

A UCC filing may be rejected by the Secretary of State’s Office for several reasons. A list of “reject reasons” for each form is included as part of the “UCC RA9 Summary” attachment at the end of this document. Also, a more detailed document “Guidelines for Refusing a UCC Record Presented For Filing” is available on the web site. Please refer to these reject reasons each time you file a UCC document.

LEGIBILITY

Forms must be filled out in a legible manner. Customers are encouraged to use the forms on the web site (downloadable onto your local hard drive) because these forms are pre-formatted to display information in a clear and concise manner. If you cannot use the site web forms, please be sure to type the information within the spaces provided on the forms.

MISCELLANEOUS

Use of staples makes the filing process difficult and is therefore discouraged. Cover letters, multiple copies, and return envelopes are unnecessary and do not facilitate the filing of

UCC documents and are thus discouraged. Information needed to file the UCC document and return an electronically reproduced acknowledgement copy to the customer should be included on the submitted form.

UCC FILING PROCESS

The Secretary of State’s duties and responsibilities are strictly administrative. The Secretary of State:

1. Does not determine the legal sufficiency or insufficiency of a document;
2. Does not determine that a security interest in collateral exists or does not exist;
3. Does not determine that information in the document is correct or incorrect, in whole or in part; and
4. Does not create a presumption that information in the document is correct or incorrect, in whole or in part.

The responsibility for the legal effectiveness of a UCC filing rests with the customer.

ENTRY OF DATA AND ACKNOWLEDGEMENT

Once filings are delivered to the Office, the checks are processed and deposited, and the forms are entered into the UCC Information System. A filing analyst will review the image of the form and look first to see if all of the required elements are present. If a document does not include all necessary information, the customer receives a copy of the rejected filing (and a note explaining that the document has been rejected and the reasons for rejection.)

If all required elements are present, the analyst enters all data from the form and “commits” the filing to the UCC filing database. Once within the UCC filing database, the filing is assigned a filing number and can be retrieved using that number, or via a general search.

Filings are routed back to the customer in the form of what is called an “acknowledgement.” An acknowledgement includes two things: (1) an imaged copy of the submitted form with a file stamp showing that it has been filed and assigned a unique file number; and (2) a letter from the Secretary of State indicating that the filing has been processed and listing the data that the Secretary of State staff entered into the system when filing the form.

Whether a filing is rejected because of a lack of required information, or filed and entered into the system, the customer should carefully review the return correspondence from the Secretary of State’s Office. If the document was rejected, the customer should review the documents to ensure that the reason for the rejection is correct. If the document was rejected in error, the Office is duty-bound to accept the document for refiling, showing the date and time the filing was originally submitted.

If a filing was processed and entered into the system, upon receipt of the acknowledgement, the customer should review the letter accompanying the image of the form to be sure the data in the system is accurate. If a customer finds an error, the customer should call the Office immediately and report the error. The staff will make the necessary correction to ensure the system includes the correct information.

If a customer reviewing the acknowledgment realizes he or she made a mistake when filling out the UCC form, and the “incorrect” data was consequently entered into the system, the customer must send in a UCC5 Correction statement with the associated fee.

UCC FARM PRODUCT FILINGS

In order to comply with the Food Security Act of 1985, the Secretary of State is the repository for filing security interests in farm products. To simplify the process for customers, the Office has adopted two new forms (mentioned previously):

❖ Mississippi UCC1F Farm Products Filing Financing Statement + Addendum

❖ Mississippi UCC3F Farm Products Financing Statement

Although these forms are similar to the other UCC forms, they are different in several ways. First, there is additional information to be included within a UCC1F and UCC3F identifying the farm products used as collateral. In addition, unlike the other UCC forms, the UCC1F and UCC3F require signatures of *both* the debtor and the secured party in order to have a perfected security interest in the collateral.

The Office has chosen to apply the same rejection reasons to the UCC1F and UCC3F as applied to the traditional UCC1 and UCC3 transactions.

UCC SEARCHES

The UCC Search Process has been altered under the UCC Revised Article 9 Legislation.

The new law specifically states that the filing officer is to search the UCC information system for records that correspond exactly to the name submitted by the searching party. The search does not cover variations of this name, like “William Doe” as opposed to “Bill Doe.” The burden is on the *searching* party to be sure they have submitted the full legal name to the Office when requesting a search. The *filing* party also has the burden to be sure they submit the full legal name when submitting filings. Failure to submit the full legal name on a filing may mean the filing would not show up on an official search of the records and thus make the filing ineffective.

In addition to the changes in search logic, new and improved changes in processing UCC searches are used. If a customer submits a UCC11 and requests copies of financing statements by including the filing numbers of those financing statements, the customer must include both the \$5 search fee, and an additional \$2 for each financing statement requested. If the form is filled out correctly, and the proper fee is presented, the customer will receive certified copies of the requested financing statements. If the customer fails to fill out the form correctly, the document will be rejected. If the customer

fails to pay the proper fee for copies of financing statements, he/she may receive a partial acknowledgement.

If a customer requests a UCC search on a debtor name, the Office will always process this search in the same way. On all search requests, an official search result will be returned to the user. This result will include a listing of all financing statements associated with the debtor name submitted. If the customer wants copies of individual financing statements, he/she can choose to receive copies of those statements and submit that request to the Office.

Customers will be able to pull down official copies of documents from the web site. A customer can conduct an online search, and while this search is not a certified search, documents that are certified to be true and original copies of the financing statements on file are available. This becomes especially helpful considering the revised search process. When a Certified Search is requested on a UCC11, the Office returns an official search listing that includes a list of all of the financing statements on file for that debtor. As mentioned previously, the customer can then select to receive certified copies of certain financing statements by returning this list and including the proper fee. However, web site customers can just as easily go to the web site and pull down copies of the original financing statements on their own. The copies of the filings included on the web site are exactly the same as the filings the Office would return to the customer in this case. The difference, of course, is the customer can use the web site free of charge.

OTHER IMPORTANT NOTES

REFUNDS

Customers should be sure they include all necessary information when submitting forms for filing, and that they submit the proper fees for filings. If a filing submitted with the proper fee is rejected for some other reason, the customer will be given a refund of the fee submitted. This refund will not accompany the rejected document as it is returned to the customer for resubmission. Rather, the refund will be sent to the customer at a later date. All refunds will be processed in a

“batch” on at least a quarterly basis. A customer does not accrue “credit” with the Secretary of State’s Office such that they can return the rejected document, or another document, without payment and expect it to be filed. Credits cannot be applied to future filings.

The same process applies in instances where overpayment or underpayment occurs. In both cases refunds will be generated under separate cover at a later time.

ELECTRONIC FILING

The Office plans to move to electronic filing within calendar year 2002. Other states adopting electronic filing of UCC documents report this method of filing makes things much easier for both the customers and the filing office. As the Office gets closer to implementing electronic filing, information on how to participate in this process will be made available.

ACH PAYMENTS

As mentioned previously, only checks and ACH debits are accepted as payment for UCC filings at this time. ACH stands for “Automated Clearing House,” which is a term that describes the process where a vendor (in this case the Office) is authorized by a customer to go in and debit a checking account automatically at the point a transaction occurs. Currently, the Office has many customers that choose to pay via ACH. If a customer would like to sign up for ACH, he/she can simply contact the Office and request the proper forms.

SOCIAL SECURITY NUMBERS

The Mississippi UCC forms, with the exception of the UCC1F and UCC3F, do not include a space where a secured party can enter the social security number of the debtor. The Office strongly discourages the entry of Social Security Numbers on UCC forms since these forms will be posted to the web site. Social Security Numbers are not a required element of non-agricultural forms.

COUNTY NUMBER (#)

The Mississippi UCC Forms include a space for county number. This is the number that corresponds to the county where the debtor resides. It's important to fill in this field. For a list of county numbers, a customer can refer to the instructions that accompany the forms, or to the web site.

MOST COMMON MISTAKES CUSTOMERS MAKE

Below is a list of the mistakes customers make most often under RA9.

- ❖ The proper fee is not included with the filing.
- ❖ The check submitted with a filing is not signed or made payable to the Secretary of State.
- ❖ The document isn't legible.
- ❖ The debtor or secured party name and address are not included.
- ❖ An Amendment (UCC3) does not include the filing number of the initial financing statement to which it relates.
- ❖ An Amendment (UCC3) seeks to alter or extend a filing that has lapsed or has already been terminated.
- ❖ A Continuation (UCC3) is not filed within the six-month filing window.
- ❖ No name and address for an assignee are included.

CONCLUSION

The Office of the Secretary of State is working to provide information to help UCC customers comply with the new law. With a new law like this it is likely that many customers will have questions or concerns. These customers are encouraged to raise those questions or concerns, so that (1) the Secretary of State can address them and (2) all of the UCC customers can benefit from their insights.

UCC Revised Article 9 Summary

Mailing Address: Mississippi Secretary of State
Business Services Division
P O Box 136
Jackson, MS 39205

Physical Address: Mississippi Secretary of State
(For courier and express mail only) Business Services Division
Union Planters Bank Building
202 North Congress Street, 6th Floor
Jackson, MS 39201

Phone Numbers: 1-800-256-3494
1-601-359-1633

Web site: www.sos.state.ms.us
E-mail: ra9questions@sos.state.ms.us

Filing Type Form	Reason(s) to File	Reject Reasons	Fees	
			Standard Forms	Non-Standard Forms
General Information	N/A	General Reasons: ❖ Debtor is not identified as individual or organization ❖ The filing does not include the debtor's last name or address when identified as an individual ❖ When identified as being for an organization, the filing does not include type, jurisdiction, and/or corporate identification number [or the box checked "none"] ❖ The proper fee is not included ❖ The writing is illegible	N/A	N/A
Initial UCC1 + Addendum	Perfect a security interest	❖ General reasons ❖ Debtor or secured party name or address is missing ❖ If there is an assignee, the record does not provide the name and address on the UCC1 and/or the original secured party name on the UCC1AD	\$10 + \$4 for each additional debtor	\$13 + \$4 for each additional debtor
Amendment UCC3 + Addendum	❖ Change a debtor name or address ❖ Change a secured party name or address ❖ Delete or add a debtor or secured party ❖ Change the collateral	❖ General reasons ❖ The record does not identify the file number of an active financing statement. ❖ The record does not identify any amendment type in the following blocks (2,3,4,5,8) ❖ The record for a continuation is not filed within the six-month window before the lapse date ❖ Failure to provide a name or address for the assignee in an assignment	\$10	\$10
Correction UCC5	❖ Add a filing to the official record to claim that a financing statement is inaccurate or wrongfully filed	❖ The proper fee is not included ❖ The record does not legibly identify the file number of an active financing statement	\$10	\$13
Search UCC 11	❖ To request a search for financing statements by debtor name or file number	❖ The request does not legibly identify the debtor name ❖ The request does not legibly identify the name and address of the requesting party ❖ The proper fee is not included	\$5	\$8
Initial (Farm) UCC1F + Addendum	❖ To perfect a security interest in agricultural collateral	❖ Same as UCC1 + Addendum Please Note: Other information may be required to make a filing effective under RA9, but failure to include this information is not grounds for rejection by the Mississippi Secretary of State.	\$10 + \$4 for each additional debtor	\$13 + \$4 for each additional debtor
Amendment (Farm) UCC3F	❖ Change an agricultural debtor or secured party name or address ❖ Delete or add an agricultural debtor or secured party ❖ Change the agricultural collateral	❖ Same as UCC3 + Addendum Please Note: Other information may be required to make a filing effective under RA9, but failure to include this information is not grounds for rejection by the Mississippi Secretary of State.	\$10	\$10