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Attorneys at Law

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New forms for filing and perfecting UCC liens: http://www.dos.state.pa.us/portal/server.pt/community/corporations/12457/secured_transactions

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NEW REQUIREMENTS FOR FILING UCC LIENS

As of July 31, 2013, Pennsylvania issued new requirements and new forms for filing and perfecting UCC liens. Addressed here are the changes affecting the identification and description of the debtor in the Financing Statement.

In order to obtain the security interest, a Financing Statement, and related forms, must be filed with the Pennsylvania Department of State which strictly comply with the Pennsylvania UCC ("PUCC") requirements. The Financing Statement and other forms must properly identify: (1) the name of the debtor; (2) the name of the secured party or a representative of the secured party; and (3) the collateral covered by the financing statement.

The amendments to the PUCC change, among other things, the way the debtor must be named in the Financing Statement. A "debtor" is: (1) a person having an interest (other than a security interest or lien) in the collateral; (2) the seller of accounts, chattel paper, payment intangibles or promissory notes; or (3) consignee. The debtor can be an individual, business entity, trust or decedent's estate.

Individual Debtors: The name on the Financing Statement must now exactly match the individual name of the debtor as stated on the individual's current (and unexpired) Pennsylvania driver's license or a non-driver's license identification card issued by the Pennsylvania Department of Transportation. A secured creditor should get a copy of the individual debtor's driver's license to ensure that the debtor is identified as required by the PUCC.

Registered Organizations: A financing statement filed against a registered organization, such as a corporation or partnership, must use the exact name of the organization which is on the documents filed to create the organization. For a corporation, the name on the articles of incorporation must be used. A secured party should not rely on corporate databases for this information.

Trusts: If the debtor trust is a registered organization, the same rules apply for identifying a trust as a registered organization. If the trust is not a registered organization, the name of the settlor is to be used, along with additional information required in order to distinguish the debtor trust from other trusts having one or more of the same settlors.

Financing statements filed before July 31, 2013 that comply with new requirements will remain in effect for 5 years from the date the financing statement was filed. However, financing statements filed before July 31, 2013 which are not in compliance with the new requirements will remain effective only if the secured party files an amendment to the financing statement which complies with the new requirements by July 31, 2014.

It is crucial that a secured party strictly comply with PUCC requirements for identification of the debtor, collateral and secured party. Failure to do so will result in a rejection of the financing statement by the Department of State and/or an ineffective security interest.

Contact us to find out about other changes to the PUCC and to learn more about how to complete and file your UCC Financing Statements in Pennsylvania.