
SENATE BILL No. 341

DIGEST OF INTRODUCED BILL

Citations Affected: IC 26-1.

Synopsis: Secured transactions. Makes changes to the Uniform Commercial Code pertaining to secured transactions to conform to recommendations made by the National Conference of Commissioners on Uniform State Laws. Provides clarification regarding how a name of an individual debtor is to be provided on a financing statement that is based on the individual's surname and first personal name. Provides clarification regarding how a debtor's name should be included on a financing statement when the debtor is a corporation, limited liability company, or limited partnership and when the collateral is held in a statutory or common law trust or in a decedent's estate. Makes changes regarding the filing of financing statements. Makes changes to assist a secured party having a security interest in after-acquired property when the debtor relocates to another state or merges with another entity. Eliminates the requirement to contain certain information on a financing statement. Makes technical corrections. Repeals a statute that contains forms for a financing statement and a financing statement amendment.

Effective: July 1, 2013.

Simpson

January 11, 2011, read first time and referred to Committee on Judiciary.

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First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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SENATE BILL No. 341



A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 26-1-1-201, AS AMENDED BY P.L.135-2009,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2013]: Sec. 201. Subject to additional definitions contained
- 4 in IC 26-1-2 through IC 26-1-10 which are applicable to specific
- 5 provisions, and unless the context otherwise requires, in IC 26-1:
- 6 (1) "Action" in the sense of a judicial proceeding includes
- 7 recoupment, counterclaim, setoff, suit in equity, and any other
- 8 proceedings in which rights are determined.
- 9 (2) "Aggrieved party" means a party entitled to resort to a remedy.
- 10 (3) "Agreement" means the bargain of the parties in fact as found
- 11 in their language or by implication from other circumstances
- 12 including course of dealing or usage of trade or course of
- 13 performance as provided in IC 26-1-1-205. Whether an agreement
- 14 has legal consequences is determined by the provisions of
- 15 IC 26-1, if applicable; otherwise by the law of contracts
- 16 (IC 26-1-1-103). (Compare "Contract".)
- 17 (4) "Bank" means a person engaged in the business of banking



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and includes a savings bank, savings and loan association, credit union, and trust company.

(5) "Bearer" means the person:

- (A) in control of a negotiable electronic document of title; or
- (B) in possession of a negotiable instrument, a negotiable tangible document of title, or a certificated security payable to bearer or endorsed in blank.

(6) "Bill of lading" means a document of title evidencing the receipt of goods for shipment issued by a person engaged in the business of directly or indirectly transporting or forwarding goods. The term does not include a warehouse receipt. The term includes an airbill. "Airbill" means a document serving for air transportation as a bill of lading does for marine or rail transportation, and includes an air consignment note or air waybill.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" a fact means the burden of persuading the triers of fact that the existence of the fact is more probable than its nonexistence.

(9) "Buyer in ordinary course of business" means a person that buys goods in good faith without knowledge that the sale violates the rights of another person in the goods, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in the ordinary course of business if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course of business may buy for cash, by exchange of other property, or on secured or unsecured credit, and may require goods or documents of title under a preexisting contract for sale. Only a buyer that takes possession of the goods or has a right to recover the goods from that seller under IC 26-1-2 may be a buyer in ordinary course of business. A person that acquires goods in a transfer in bulk or as security for or total or partial satisfaction of a money debt is not a buyer in ordinary course of business.

(10) "Conspicuous". A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. A printed heading in capitals (as:

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1 NONNEGOTIABLE BILL OF LADING) is conspicuous.
 2 Language in the body of a form is conspicuous if it is in larger or
 3 other contrasting type or color. But in a telegram any stated term
 4 is conspicuous. Whether a term or clause is conspicuous or not is
 5 for decision by the court.
 6 (11) "Contract" means the total legal obligation which results
 7 from the parties' agreement as affected by this Act and any other
 8 applicable rules of law. (Compare "Agreement".)
 9 (12) "Creditor" includes a general creditor, a secured creditor, a
 10 lien creditor and any representative of creditors, including an
 11 assignee for the benefit of creditors, a trustee in bankruptcy, a
 12 receiver in equity, and an executor or administrator of an
 13 insolvent debtor's or assignor's estate.
 14 (13) "Defendant" includes a person in the position of defendant
 15 in a cross-action or counterclaim.
 16 (14) "Delivery" means the following:
 17 (A) With respect to an electronic document of title, voluntary
 18 transfer of control.
 19 (B) With respect to instruments, tangible documents of title,
 20 chattel paper, or certificated securities, voluntary transfer of
 21 possession.
 22 (15) "Document of title" means a record that:
 23 (A) in the regular course of business or financing, is treated as
 24 adequately evidencing that the person in possession or control
 25 of the record is entitled to receive, control, hold, and dispose
 26 of the record and the goods it covers; and
 27 (B) purports to be issued by or addressed to a bailee and
 28 purports to cover goods in the bailee's possession which are
 29 either identified or are fungible portions of an identified mass.
 30 The term includes a bill of lading, transport document, dock
 31 warrant, dock receipt, warehouse receipt, or order for delivery of
 32 goods. An electronic document of title means a document of title
 33 evidenced by a record consisting of information stored in an
 34 electronic medium. A tangible document of title means a
 35 document of title evidenced by a record consisting of information
 36 that is inscribed on a tangible medium.
 37 (16) "Fault" means wrongful act, omission, or breach.
 38 (17) "Fungible" with respect to goods or securities means goods
 39 or securities of which any unit is, by nature or usage of trade, the
 40 equivalent of any other like unit. Goods which are not fungible
 41 shall be deemed fungible for the purposes of IC 26-1 to the extent
 42 that under a particular agreement or document unlike units are

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- 1 treated as equivalents.
- 2 (18) "Genuine" means free of forgery or counterfeiting.
- 3 (19) "Good faith", except as otherwise provided by IC 26-1-4 or
- 4 IC 26-1-5.1, means honesty in fact and the observance of
- 5 reasonable commercial standards of fair dealing.
- 6 (20) "Holder" means:
- 7 (A) the person in possession of a negotiable instrument that is
- 8 payable either to bearer or to an identified person if the
- 9 identified person is in possession of the instrument;
- 10 (B) the person in possession of a negotiable tangible document
- 11 of title if the goods are deliverable either to bearer or to the
- 12 order of the person in possession; or
- 13 (C) the person in control of a negotiable electronic document
- 14 of title.
- 15 (21) To "honor" is to pay or to accept and pay or where a credit so
- 16 engages to purchase or discount a draft complying with the terms
- 17 of the credit.
- 18 (22) "Insolvency proceedings" includes any assignment for the
- 19 benefit of creditors or other proceedings intended to liquidate or
- 20 rehabilitate the estate of the person involved.
- 21 (23) A person is "insolvent" who either has ceased to pay the
- 22 person's debts in the ordinary course of business or cannot pay the
- 23 person's debts as they become due or is insolvent within the
- 24 meaning of the federal bankruptcy law.
- 25 (24) "Money" means a medium of exchange authorized or
- 26 adopted by a domestic or foreign government and includes a
- 27 monetary unit of account established by an intergovernmental
- 28 organization or by agreement between two (2) or more nations.
- 29 (25) A person has "notice" of a fact when:
- 30 (a) (A) the person has actual knowledge of it;
- 31 (b) (B) the person has received a notice or notification of it; or
- 32 (c) (C) from all the facts and circumstances known to the
- 33 person at the time in question, the person has reason to know
- 34 that it exists.
- 35 A person "knows" or has "knowledge" of a fact when the person
- 36 has actual knowledge of it. "Discover" or "learn" or a word or
- 37 phrase of similar import refers to knowledge rather than to reason
- 38 to know. The time and circumstances under which a notice or
- 39 notification may cease to be effective are not determined by
- 40 IC 26-1.
- 41 (26) A person "notifies" or "gives" a notice or notification to
- 42 another by taking such steps as may be reasonably required to

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inform the other in ordinary course whether or not such other actually comes to know of it. A person "receives" a notice or notification when:

- (a) (A) it comes to the person's attention; or
- (b) (B) it is duly delivered at the place of business through which the contract was made or at any other place held out by the person as the place for receipt of such communications.

(27) Notice, knowledge, or a notice of notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction and, in any event, from the time when it would have been brought to the person's attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of the person's regular duties or unless the person has reason to know of the transaction and that the transaction would be materially affected by the information.

(28) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two (2) or more persons having a joint or common interest, or any other legal or commercial entity.

(29) "Party", as distinct from "third party", means a person who has engaged in a transaction or made an agreement within IC 26-1.

(30) "Person" includes an individual or an organization. (See IC 26-1-1-102.)

(31) "Presumption" or "presumed" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

(32) "Purchase" includes taking by sale, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in property.

(33) "Purchaser" means a person who takes by purchase.

(33a) "Registered mail" includes certified mail.

(33b) "Record", except as used in ~~IC 26-1-1.5-2~~ and IC 26-1-2.1-309, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is

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retrievable in perceivable form.
(34) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.
(35) "Representative" includes an agent, an officer of a corporation or association, and a trustee, executor, or administrator of an estate, or any other person empowered to act for another.
(36) "Rights" includes remedies.
(37) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. The term also includes any interest of a consignor and a buyer of accounts, chattel paper, a payment intangible, or a promissory note in a transaction that is subject to IC 26-1-9.1. The special property interest of a buyer of goods on identification of such goods to a contract for sale under IC 26-1-2-401 is not a security interest, but a buyer may also acquire a security interest by complying with IC 26-1-9.1. Except as otherwise provided in IC 26-1-2-505, the right of a seller or lessor of goods under IC 26-1-2 or IC 26-1-2.1 to retain or acquire possession of the goods is not a "security interest", but a seller or lessor may also acquire a "security interest" by complying with IC 26-1-9.1. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (IC 26-1-2-401) is limited in effect to a reservation of a "security interest". Whether a transaction creates a lease or security interest is determined by the facts of each case. However, a transaction creates a security interest if the consideration the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease not subject to termination by the lessee and:
 (ⓐ) **(A)** the original term of the lease is equal to or greater than the remaining economic life of the goods;
 (ⓑ) **(B)** the lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods;
 (ⓒ) **(C)** the lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement; or
 (ⓓ) **(D)** the lessee has an option to become the owner of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.

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A transaction does not create a security interest merely because it provides that:

- (a) (A) the present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into;
- (b) (B) the lessee assumes risk of loss of the goods, or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods;
- (c) (C) the lessee has an option to renew the lease or to become the owner of the goods;
- (d) (D) the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed; or
- (e) (E) the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.

For purposes of this subsection:

- (x) (X) Additional consideration is not nominal if:
 - (i) when the option to renew the lease is granted to the lessee the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed; or
 - (ii) when the option to become the owner of the goods is granted to the lessee the price is stated to be the fair market value of the goods determined at the time the option is to be performed.

Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised.

(y) (Y) "Reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the transaction is entered into.

(z) (Z) "Present value" means the amount as of a date certain of one (1) or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate is not manifestly unreasonable at the time the transaction is entered into. Otherwise, the discount is determined by a commercially

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reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(38) "Send" in connection with any writing or notice means to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and, in the case of an instrument, to an address specified thereon or otherwise agreed or, if there be none, to any address reasonable under the circumstances. The receipt of any writing or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.

(39) "Signed" includes any symbol executed or adopted by a party with present intention to authenticate a writing.

(40) "Surety" includes guarantor.

(41) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.

(42) "Term" means that portion of an agreement which relates to a particular matter.

(43) "Unauthorized" signature means one made without actual, implied, or apparent authority and includes a forgery.

(44) "Value". Except as otherwise provided with respect to negotiable instruments and bank collections (IC 26-1-3.1-303, IC 26-1-4-208, and IC 26-1-4-209) a person gives value for rights if the person acquires them:

- (a) (A) in return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a chargeback is provided for in the event of difficulties in collection;
- (b) (B) as security for or in total or partial satisfaction of a preexisting claim;
- (c) (C) by accepting delivery pursuant to a preexisting contract for purchase; or
- (d) (D) generally, in return for any consideration sufficient to support a simple contract.

(45) "Warehouse receipt" means a document of title issued by a person engaged in the business of storing goods for hire.

(46) "Written" or "writing" includes printing, typewriting, or any other intentional reduction to tangible form.

SECTION 2. IC 26-1-1.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The forms in ~~this~~

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1 ~~chapter~~ **IC 26-1-9.1-521** may be used for filings under IC 26-1.

2 SECTION 3. IC 26-1-9.1-102, AS AMENDED BY P.L.108-2009,
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2013]: Sec. 102. (a) In IC 26-1-9.1:

5 (1) "Accession" means goods that are physically united with other
6 goods in such a manner that the identity of the original goods is
7 not lost.

8 (2) "Account", except as used in "account for", means a right to
9 payment of a monetary obligation, whether or not earned by
10 performance:

11 (A) for property that has been or is to be sold, leased, licensed,
12 assigned, or otherwise disposed of;

13 (B) for services rendered or to be rendered;

14 (C) for a policy of insurance issued or to be issued;

15 (D) for a secondary obligation incurred or to be incurred;

16 (E) for energy provided or to be provided;

17 (F) for the use or hire of a vessel under a charter or other
18 contract;

19 (G) arising out of the use of a credit or charge card or
20 information contained on or for use with the card; or

21 (H) as winnings in a lottery or other game of chance operated
22 or sponsored by a state other than Indiana, a governmental unit
23 of a state, or a person licensed or authorized to operate the
24 game by a state or governmental unit of a state.

25 The term does not include a right to a payment of a prize awarded
26 by the state lottery commission in the Indiana state lottery
27 established under IC 4-30. The term includes
28 health-care-insurance receivables. The term does not include (i)
29 rights to payment evidenced by chattel paper or an instrument, (ii)
30 commercial tort claims, (iii) deposit accounts, (iv) investment
31 property, (v) letter-of-credit rights or letters of credit, or (vi) rights
32 to payment for money or funds advanced or sold, other than rights
33 arising out of the use of a credit or charge card or information
34 contained on or for use with the card.

35 (3) "Account debtor" means a person obligated on an account,
36 chattel paper, or general intangible. The term does not include
37 persons obligated to pay a negotiable instrument, even if the
38 instrument constitutes part of chattel paper.

39 (4) "Accounting", except as used in "accounting for", means a
40 record:

41 (A) authenticated by a secured party;

42 (B) indicating the aggregate unpaid secured obligations as of

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- 1 a date not more than thirty-five (35) days earlier or thirty-five
- 2 (35) days later than the date of the record; and
- 3 (C) identifying the components of the obligations in
- 4 reasonable detail.
- 5 (5) "Agricultural lien" means an interest, other than a security
- 6 interest, in farm products:
- 7 (A) that secures payment or performance of an obligation for:
- 8 (i) goods or services furnished in connection with a debtor's
- 9 farming operation; or
- 10 (ii) rent on real property leased by a debtor in connection
- 11 with the debtor's farming operation;
- 12 (B) that is created by statute in favor of a person that:
- 13 (i) in the ordinary course of its business furnished goods or
- 14 services to a debtor in connection with the debtor's farming
- 15 operation; or
- 16 (ii) leased real property to a debtor in connection with the
- 17 debtor's farming operation; and
- 18 (C) whose effectiveness does not depend on the person's
- 19 possession of the personal property.
- 20 (6) "As-extracted collateral" means:
- 21 (A) oil, gas, or other minerals that are subject to a security
- 22 interest that:
- 23 (i) is created by a debtor having an interest in the minerals
- 24 before extraction; and
- 25 (ii) attaches to the minerals as extracted; or
- 26 (B) accounts arising out of the sale at the wellhead or
- 27 minehead of oil, gas, or other minerals in which the debtor had
- 28 an interest before extraction.
- 29 (7) "Authenticate" means:
- 30 (A) to sign; or
- 31 ~~(B) to execute or otherwise adopt a symbol; or encrypt or~~
- 32 ~~similarly process a record in whole or in part, with the present~~
- 33 ~~intent of the authenticating person to identify the person and~~
- 34 ~~adopt or accept a record:~~
- 35 **(B) with present intent to adopt or accept a record, to**
- 36 **attach to or logically associate with the record an**
- 37 **electronic sound, symbol, or process.**
- 38 (8) "Bank" means an organization that is engaged in the business
- 39 of banking. The term includes savings banks, savings and loan
- 40 associations, credit unions, and trust companies.
- 41 (9) "Cash proceeds" means proceeds that are money, checks,
- 42 deposit accounts, or the like.

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(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. **The term includes another record maintained as an alternative to a certificate of title by the governmental unit that issues certificates of title if a statute permits the security interest in question to be indicated on the record as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.**

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this subdivision, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term "chattel paper" does not include: (i) charters or other contracts involving the use or hire of a vessel; or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

- (A) proceeds to which a security interest attaches;
- (B) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and
- (C) goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

- (A) the claimant is an organization; or
- (B) the claimant is an individual and the claim:
 - (i) arose in the course of the claimant's business or profession; and
 - (ii) does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a

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- 1 commodity intermediary in which a commodity contract is carried
- 2 for a commodity customer.
- 3 (15) "Commodity contract" means a commodity futures contract,
- 4 an option on a commodity futures contract, a commodity option,
- 5 or another contract if the contract or option is:
- 6 (A) traded on or subject to the rules of a board of trade that has
- 7 been designated as a contract market for such a contract
- 8 pursuant to federal commodities laws; or
- 9 (B) traded on a foreign commodity board of trade, exchange,
- 10 or market, and is carried on the books of a commodity
- 11 intermediary for a commodity customer.
- 12 (16) "Commodity customer" means a person for which a
- 13 commodity intermediary carries a commodity contract on its
- 14 books.
- 15 (17) "Commodity intermediary" means a person that:
- 16 (A) is registered as a futures commission merchant under
- 17 federal commodities law; or
- 18 (B) in the ordinary course of its business provides clearance or
- 19 settlement services for a board of trade that has been
- 20 designated as a contract market pursuant to federal
- 21 commodities law.
- 22 (18) "Communicate" means:
- 23 (A) to send a written or other tangible record;
- 24 (B) to transmit a record by any means agreed upon by the
- 25 persons sending and receiving the record; or
- 26 (C) in the case of transmission of a record to or by a filing
- 27 office, to transmit a record by any means prescribed by
- 28 filing-office rule.
- 29 (19) "Consignee" means a merchant to which goods are delivered
- 30 in a consignment.
- 31 (20) "Consignment" means a transaction, regardless of its form,
- 32 in which a person delivers goods to a merchant for the purpose of
- 33 sale and:
- 34 (A) the merchant:
- 35 (i) deals in goods of that kind under a name other than the
- 36 name of the person making delivery;
- 37 (ii) is not an auctioneer; and
- 38 (iii) is not generally known by its creditors to be
- 39 substantially engaged in selling the goods of others;
- 40 (B) with respect to each delivery, the aggregate value of the
- 41 goods is one thousand dollars (\$1,000) or more at the time of
- 42 delivery;

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- 1 (C) the goods are not consumer goods immediately before
- 2 delivery; and
- 3 (D) the transaction does not create a security interest that
- 4 secures an obligation.
- 5 (21) "Consignor" means a person that delivers goods to a
- 6 consignee in a consignment.
- 7 (22) "Consumer debtor" means a debtor in a consumer
- 8 transaction.
- 9 (23) "Consumer goods" means goods that are used or bought for
- 10 use primarily for personal, family, or household purposes.
- 11 (24) "Consumer-goods transaction" means a consumer transaction
- 12 in which:
- 13 (A) an individual incurs an obligation primarily for personal,
- 14 family, or household purposes; and
- 15 (B) a security interest in consumer goods secures the
- 16 obligation.
- 17 (25) "Consumer obligor" means an obligor who is an individual
- 18 and who incurred the obligation as part of a transaction entered
- 19 into primarily for personal, family, or household purposes.
- 20 (26) "Consumer transaction" means a transaction in which (i) an
- 21 individual incurs an obligation primarily for personal, family, or
- 22 household purposes, (ii) a security interest secures the obligation,
- 23 and (iii) the collateral is held or acquired primarily for personal,
- 24 family, or household purposes. The term includes
- 25 consumer-goods transactions.
- 26 (27) "Continuation statement" means an amendment of a
- 27 financing statement that:
- 28 (A) identifies, by its file number, the initial financing
- 29 statement to which it relates; and
- 30 (B) indicates that it is a continuation statement for, or that it is
- 31 filed to continue the effectiveness of, the identified financing
- 32 statement.
- 33 (28) "Debtor" means:
- 34 (A) a person having an interest, other than a security interest
- 35 or other lien, in the collateral, whether or not the person is an
- 36 obligor;
- 37 (B) a seller of accounts, chattel paper, payment intangibles, or
- 38 promissory notes; or
- 39 (C) a consignee.
- 40 (29) "Deposit account" means a demand, time, savings, passbook,
- 41 or similar account maintained with a bank. The term does not
- 42 include investment property or accounts evidenced by an

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- 1 instrument.
- 2 (30) "Document" means a document of title or a receipt of the
- 3 type described in IC 26-1-7-201(b).
- 4 (31) "Electronic chattel paper" means chattel paper evidenced by
- 5 a record or records consisting of information stored in an
- 6 electronic medium.
- 7 (32) "Encumbrance" means a right, other than an ownership
- 8 interest, in real property. The term includes mortgages and other
- 9 liens on real property.
- 10 (33) "Equipment" means goods other than inventory, farm
- 11 products, or consumer goods.
- 12 (34) "Farm products" means goods, other than standing timber,
- 13 with respect to which the debtor is engaged in a farming operation
- 14 and which are:
 - 15 (A) crops grown, growing, or to be grown, including:
 - 16 (i) crops produced on trees, vines, and bushes; and
 - 17 (ii) aquatic goods produced in aquacultural operations;
 - 18 (B) livestock, born or unborn, including aquatic goods
 - 19 produced in aquacultural operations;
 - 20 (C) supplies used or produced in a farming operation; or
 - 21 (D) products of crops or livestock in their unmanufactured
 - 22 states.
- 23 (35) "Farming operation" means raising, cultivating, propagating,
- 24 fattening, grazing, or any other farming, livestock, or aquacultural
- 25 operation.
- 26 (36) "File number" means the number assigned to an initial
- 27 financing statement pursuant to IC 26-1-9.1-519(a).
- 28 (37) "Filing office" means an office designated in IC 26-1-9.1-501
- 29 as the place to file a financing statement.
- 30 (38) "Filing-office rule" means a rule adopted pursuant to
- 31 IC 26-1-9.1-526.
- 32 (39) "Financing statement" means a record or records composed
- 33 of an initial financing statement and any filed record relating to
- 34 the initial financing statement.
- 35 (40) "Fixture filing" means the filing of a financing statement
- 36 covering goods that are or are to become fixtures and satisfying
- 37 IC 26-1-9.1-502(a) and IC 26-1-9.1-502(b). The term includes the
- 38 filing of a financing statement covering goods of a transmitting
- 39 utility which are or are to become fixtures.
- 40 (41) "Fixtures" means goods that have become so related to
- 41 particular real property that an interest in them arises under real
- 42 property law.

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- 1 (42) "General intangible" means any personal property, including
2 things in action, other than accounts, chattel paper, commercial
3 tort claims, deposit accounts, documents, goods, instruments,
4 investment property, letter-of-credit rights, letters of credit,
5 money, and oil, gas, or other minerals before extraction. The term
6 includes payment intangibles and software.
- 7 (43) "Good faith" means honesty in fact and the observance of
8 reasonable commercial standards of fair dealing.
- 9 (44) "Goods" means all things that are movable when a security
10 interest attaches. The term includes (i) fixtures, (ii) standing
11 timber that is to be cut and removed under a conveyance or
12 contract for sale, (iii) the unborn young of animals, (iv) crops
13 grown, growing, or to be grown, even if the crops are produced on
14 trees, vines, or bushes, and (v) manufactured homes. The term
15 also includes a computer program embedded in goods and any
16 supporting information provided in connection with a transaction
17 relating to the program if (i) the program is associated with the
18 goods in such a manner that it customarily is considered part of
19 the goods, or (ii) by becoming the owner of the goods, a person
20 acquires a right to use the program in connection with the goods.
21 The term does not include a computer program embedded in
22 goods that consist solely of the medium in which the program is
23 embedded. The term also does not include accounts, chattel
24 paper, commercial tort claims, deposit accounts, documents,
25 general intangibles, instruments, investment property,
26 letter-of-credit rights, letters of credit, money, or oil, gas, or other
27 minerals before extraction.
- 28 (45) "Governmental unit" means a subdivision, agency,
29 department, county, parish, municipality, or other unit of the
30 government of the United States, a state, or a foreign country. The
31 term includes an organization having a separate corporate
32 existence if the organization is eligible to issue debt on which
33 interest is exempt from income taxation under the laws of the
34 United States.
- 35 (46) "Health-care-insurance receivable" means an interest in or
36 claim under a policy of insurance that is a right to payment of a
37 monetary obligation for health-care goods or services provided.
- 38 (47) "Instrument" means a negotiable instrument or any other
39 writing that evidences a right to the payment of a monetary
40 obligation, is not itself a security agreement or lease, and is of a
41 type that in the ordinary course of business is transferred by
42 delivery with any necessary endorsement or assignment. The term

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1 does not include (i) investment property, (ii) letters of credit, or
 2 (iii) writings that evidence a right to payment arising out of the
 3 use of a credit or charge card or information contained on or for
 4 use with the card.

5 (48) "Inventory" means goods, other than farm products, that:
 6 (A) are leased by a person as lessor;
 7 (B) are held by a person for sale or lease or to be furnished
 8 under a contract of service;
 9 (C) are furnished by a person under a contract of service; or
 10 (D) consist of raw materials, work in process, or materials
 11 used or consumed in a business.

12 (49) "Investment property" means a security, whether certificated
 13 or uncertificated, security entitlement, securities account,
 14 commodity contract, or commodity account.

15 (50) "Jurisdiction of organization", with respect to a registered
 16 organization, means the jurisdiction under whose law the
 17 organization is **formed or** organized.

18 (51) "Letter-of-credit right" means a right to payment or
 19 performance under a letter of credit, whether or not the
 20 beneficiary has demanded or is at the time entitled to demand
 21 payment or performance. The term does not include the right of
 22 a beneficiary to demand payment or performance under a letter of
 23 credit.

24 (52) "Lien creditor" means:
 25 (A) a creditor that has acquired a lien on the property involved
 26 by attachment, levy, or the like;
 27 (B) an assignee for benefit of creditors from the time of
 28 assignment;
 29 (C) a trustee in bankruptcy from the date of the filing of the
 30 petition; or
 31 (D) a receiver in equity from the time of appointment.

32 (53) "Manufactured home" means a structure, transportable in one
 33 (1) or more sections, which, in the traveling mode, is eight (8)
 34 body feet or more in width or forty (40) body feet or more in
 35 length, or, when erected on site, is three hundred twenty (320) or
 36 more square feet, and which is built on a permanent chassis and
 37 designed to be used as a dwelling with or without a permanent
 38 foundation when connected to the required utilities, and includes
 39 the plumbing, heating, air conditioning, and electrical systems
 40 contained therein. The term includes any structure that meets all
 41 of the requirements of this subdivision except the size
 42 requirements, and with respect to which the manufacturer

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1 voluntarily files a certification required by the United States
2 Secretary of Housing and Urban Development and complies with
3 the standards established under Title 42 of the United States
4 Code.

5 (54) "Manufactured-home transaction" means a secured
6 transaction:

7 (A) that creates a purchase-money security interest in a
8 manufactured home, other than a manufactured home held as
9 inventory; or

10 (B) in which a manufactured home, other than a manufactured
11 home held as inventory, is the primary collateral.

12 (55) "Mortgage" means a consensual interest in real property,
13 including fixtures, that secures payment or performance of an
14 obligation.

15 (56) "New debtor" means a person that becomes bound as debtor
16 under IC 26-1-9.1-203(d) by a security agreement previously
17 entered into by another person.

18 (57) "New value" means (i) money, (ii) money's worth in
19 property, services, or new credit, or (iii) release by a transferee of
20 an interest in property previously transferred to the transferee.
21 The term does not include an obligation substituted for another
22 obligation.

23 (58) "Noncash proceeds" means proceeds other than cash
24 proceeds.

25 (59) "Obligor" means a person that, with respect to an obligation
26 secured by a security interest in or an agricultural lien on the
27 collateral, (i) owes payment or other performance of the
28 obligation, (ii) has provided property other than the collateral to
29 secure payment or other performance of the obligation, or (iii) is
30 otherwise accountable in whole or in part for payment or other
31 performance of the obligation. The term does not include issuers
32 or nominated persons under a letter of credit.

33 (60) "Original debtor", except as used in IC 26-1-9.1-310(c),
34 means a person that, as debtor, entered into a security agreement
35 to which a new debtor has become bound under
36 IC 26-1-9.1-203(d).

37 (61) "Payment intangible" means a general intangible under
38 which the account debtor's principal obligation is a monetary
39 obligation.

40 (62) "Person related to", with respect to an individual, means:

41 (A) the spouse of the individual;

42 (B) a brother, brother-in-law, sister, or sister-in-law of the

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- 1 individual;
- 2 (C) an ancestor or lineal descendant of the individual or the
- 3 individual's spouse; or
- 4 (D) any other relative, by blood or marriage, of the individual
- 5 or the individual's spouse who shares the same home with the
- 6 individual.
- 7 (63) "Person related to", with respect to an organization, means:
- 8 (A) a person directly or indirectly controlling, controlled by,
- 9 or under common control with the organization;
- 10 (B) an officer or director of, or a person performing similar
- 11 functions with respect to, the organization;
- 12 (C) an officer or director of, or a person performing similar
- 13 functions with respect to, a person described in clause (A);
- 14 (D) the spouse of an individual described in clause (A), (B), or
- 15 (C); or
- 16 (E) an individual who is related by blood or marriage to an
- 17 individual described in clause (A), (B), (C), or (D) and shares
- 18 the same home with the individual.
- 19 (64) "Proceeds", except as used in IC 26-1-9.1-609(b), means the
- 20 following property:
- 21 (A) Whatever is acquired upon the sale, lease, license,
- 22 exchange, or other disposition of collateral.
- 23 (B) Whatever is collected on, or distributed on account of,
- 24 collateral.
- 25 (C) Rights arising out of collateral.
- 26 (D) To the extent of the value of collateral, claims arising out
- 27 of the loss, nonconformity, or interference with the use of,
- 28 defects or infringement of rights in, or damage to, the
- 29 collateral.
- 30 (E) To the extent of the value of collateral and to the extent
- 31 payable to the debtor or the secured party, insurance payable
- 32 by reason of the loss or nonconformity of, defects or
- 33 infringement of rights in, or damage to, the collateral.
- 34 (65) "Promissory note" means an instrument that evidences a
- 35 promise to pay a monetary obligation, does not evidence an order
- 36 to pay, and does not contain an acknowledgment by a bank that
- 37 the bank has received for deposit a sum of money or funds.
- 38 (66) "Proposal" means a record authenticated by a secured party
- 39 that includes the terms on which the secured party is willing to
- 40 accept collateral in full or partial satisfaction of the obligation it
- 41 secures pursuant to IC 26-1-9.1-620, IC 26-1-9.1-621, and
- 42 IC 26-1-9.1-622.

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(67) "Public-finance transaction" means a secured transaction in connection with which:

- (A) debt securities are issued;
- (B) all or a portion of the securities issued have an initial stated maturity of at least twenty (20) years; and
- (C) the debtor, obligor, secured party, account debtor, or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Public organic record" means a record that is available to the public for inspection and is:

- (A) a record consisting of the record initially filed with or issued by a state or the United States to form or organize an organization and any record filed with or issued by the state or the United States that amends or restates the initial record;**
- (B) an organic record of a business trust consisting of the record initially filed with a state and any record filed with the state which amends or restates the initial record, if a statute of the state governing business trusts requires that the record be filed with the state; or**
- (C) a record consisting of legislation enacted by the legislature of a state or the Congress of the United States that forms or organizes an organization, any record amending the legislation, and any record filed with or issued by the state or the United States that amends or restates the name of the organization.**

~~(68)~~ **(69)** "Pursuant to commitment", with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

~~(69)~~ **(70)** "Record", except as used in "for record", "of record", "record or legal title", and "record owner", means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

~~(70)~~ **(71)** "Registered organization" means an organization **formed or** organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been ~~organized:~~ **by the filing of a public organic record with, the issuance of a public organic record by, or the enactment of**

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1 **legislation by the state or the United States. The term includes**
 2 **a business trust that is formed or organized under the law of**
 3 **a single state if a statute of the state governing business trusts**
 4 **requires that the business trust's organic record be filed with**
 5 **the state.**

6 ~~(71)~~ **(72)** "Secondary obligor" means an obligor to the extent that:

7 (A) the obligor's obligation is secondary; or

8 (B) the obligor has a right of recourse with respect to an
 9 obligation secured by collateral against the debtor, another
 10 obligor, or property of either.

11 ~~(72)~~ **(73)** "Secured party" means:

12 (A) a person in whose favor a security interest is created or
 13 provided for under a security agreement, whether or not any
 14 obligation to be secured is outstanding;

15 (B) a person that holds an agricultural lien;

16 (C) a consignor;

17 (D) a person to which accounts, chattel paper, payment
 18 intangibles, or promissory notes have been sold;

19 (E) a trustee, indenture trustee, agent, collateral agent, or other
 20 representative in whose favor a security interest or agricultural
 21 lien is created or provided for; or

22 (F) a person that holds a security interest arising under
 23 IC 26-1-2-401, IC 26-1-2-505, IC 26-1-2-711(3),
 24 IC 26-1-2.1-508(5), IC 26-1-4-210, or IC 26-1-5.1-118.

25 ~~(73)~~ **(74)** "Security agreement" means an agreement that creates
 26 or provides for a security interest.

27 ~~(74)~~ **(75)** "Send", in connection with a record or notification,
 28 means:

29 (A) to deposit in the mail, deliver for transmission, or transmit
 30 by any other usual means of communication, with postage or
 31 cost of transmission provided for, addressed to any address
 32 reasonable under the circumstances; or

33 (B) to cause the record or notification to be received within the
 34 time that it would have been received if properly sent under
 35 clause (A).

36 ~~(75)~~ **(76)** "Software" means a computer program and any
 37 supporting information provided in connection with a transaction
 38 relating to the program. The term does not include a computer
 39 program that is included in the definition of goods.

40 ~~(76)~~ **(77)** "State" means a state of the United States, the District
 41 of Columbia, Puerto Rico, the United States Virgin Islands, or any
 42 territory or insular possession subject to the jurisdiction of the

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- 1 United States.
- 2 ~~(77)~~ **(78)** "Supporting obligation" means a letter-of-credit right or
- 3 secondary obligation that supports the payment or performance of
- 4 an account, chattel paper, a document, a general intangible, an
- 5 instrument, or investment property.
- 6 ~~(78)~~ **(79)** "Tangible chattel paper" means chattel paper evidenced
- 7 by a record or records consisting of information that is inscribed
- 8 on a tangible medium.
- 9 ~~(79)~~ **(80)** "Termination statement" means an amendment of a
- 10 financing statement that:
- 11 (A) identifies, by its file number, the initial financing
- 12 statement to which it relates; and
- 13 (B) indicates either that it is a termination statement or that the
- 14 identified financing statement is no longer effective.
- 15 ~~(80)~~ **(81)** "Transmitting utility" means a person primarily engaged
- 16 in the business of:
- 17 (A) operating a railroad, subway, street railway, or trolley bus;
- 18 (B) transmitting communications electrically,
- 19 electromagnetically, or by light;
- 20 (C) transmitting goods by pipeline or sewer; or
- 21 (D) transmitting or producing and transmitting electricity,
- 22 steam, gas, or water.
- 23 (b) "Control" as provided in IC 26-1-7-106 and the following
- 24 definitions outside IC 26-1-9.1 apply to IC 26-1-9.1:
- 25 "Applicant" IC 26-1-5.1-102.
- 26 "Beneficiary" IC 26-1-5.1-102.
- 27 "Broker" IC 26-1-8.1-102.
- 28 "Certificated security" IC 26-1-8.1-102.
- 29 "Check" IC 26-1-3.1-104.
- 30 "Clearing corporation" IC 26-1-8.1-102.
- 31 "Contract for sale" IC 26-1-2-106.
- 32 "Customer" IC 26-1-4-104.
- 33 "Entitlement holder" IC 26-1-8.1-102.
- 34 "Financial asset" IC 26-1-8.1-102.
- 35 "Holder in due course" IC 26-1-3.1-302.
- 36 "Issuer" (with respect to a letter of credit or letter-of-credit right)
- 37 IC 26-1-5.1-102.
- 38 "Issuer" (with respect to a security) IC 26-1-8.1-201.
- 39 "Issuer" (with respect to documents of title) IC 26-1-7-102.
- 40 "Lease" IC 26-1-2.1-103.
- 41 "Lease agreement" IC 26-1-2.1-103.
- 42 "Lease contract" IC 26-1-2.1-103.

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- 1 "Leasehold interest" IC 26-1-2.1-103.
 2 "Lessee" IC 26-1-2.1-103.
 3 "Lessee in ordinary course of business" IC 26-1-2.1-103.
 4 "Lessor" IC 26-1-2.1-103.
 5 "Lessor's residual interest" IC 26-1-2.1-103.
 6 "Letter of credit" IC 26-1-5.1-102.
 7 "Merchant" IC 26-1-2-104.
 8 "Negotiable instrument" IC 26-1-3.1-104.
 9 "Nominated person" IC 26-1-5.1-102.
 10 "Note" IC 26-1-3.1-104.
 11 "Proceeds of a letter of credit" IC 26-1-5.1-114.
 12 "Prove" IC 26-1-3.1-103.
 13 "Sale" IC 26-1-2-106.
 14 "Securities account" IC 26-1-8.1-501.
 15 "Securities intermediary" IC 26-1-8.1-102.
 16 "Security" IC 26-1-8.1-102.
 17 "Security certificate" IC 26-1-8.1-102.
 18 "Security entitlement" IC 26-1-8.1-102.
 19 "Uncertificated security" IC 26-1-8.1-102.
 20 (c) IC 26-1-1 contains general definitions and principles of
 21 construction and interpretation applicable throughout IC 26-1-9.1.
 22 SECTION 4. IC 26-1-9.1-105 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 105. (a) A secured
 24 party has control of electronic chattel paper if **a system employed for**
 25 **evidencing the transfer of interests in the chattel paper reliably**
 26 **establishes the secured party as the person to which the chattel**
 27 **paper was assigned.**
 28 (b) **A system satisfies subsection (a) if** the record or records
 29 comprising the chattel paper are created, stored, and assigned in such
 30 a manner that:
 31 (1) a single authoritative copy of the record or records exists
 32 which is unique, identifiable and, except as otherwise provided in
 33 subdivisions (4), (5), and (6), unalterable;
 34 (2) the authoritative copy identifies the secured party as the
 35 assignee of the record or records;
 36 (3) the authoritative copy is communicated to and maintained by
 37 the secured party or its designated custodian;
 38 (4) copies or ~~revisions~~ **amendments** that add or change an
 39 identified assignee of the authoritative copy can be made only
 40 with the **participation consent** of the secured party;
 41 (5) each copy of the authoritative copy and any copy of a copy is
 42 readily identifiable as a copy that is not the authoritative copy;

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1 and

2 (6) any ~~revision~~ **amendment** of the authoritative copy is readily

3 identifiable as ~~an~~ authorized or unauthorized. ~~revision.~~

4 SECTION 5. IC 26-1-9.1-307 IS AMENDED TO READ AS

5 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 307. (a) In this section,

6 "place of business" means a place where a debtor conducts its affairs.

7 (b) Except as otherwise provided in this section, the following rules

8 determine a debtor's location:

9 (1) A debtor who is an individual is located at the individual's

10 principal residence.

11 (2) A debtor that is an organization and has only one (1) place of

12 business is located at its place of business.

13 (3) A debtor that is an organization and has more than one (1)

14 place of business is located at its chief executive office.

15 (c) Subsection (b) applies only if a debtor's residence, place of

16 business, or chief executive office, as applicable, is located in a

17 jurisdiction whose law generally requires information concerning the

18 existence of a nonpossessory security interest to be made generally

19 available in a filing, recording, or registration system as a condition or

20 result of the security interest's obtaining priority over the rights of a lien

21 creditor with respect to the collateral. If subsection (b) does not apply,

22 the debtor is located in the District of Columbia.

23 (d) A person that ceases to exist, have a residence, or have a place

24 of business continues to be located in the jurisdiction specified by

25 subsections (b) and (c).

26 (e) A registered organization that is organized under the law of a

27 state is located in that state.

28 (f) Except as otherwise provided in subsection (i), a registered

29 organization that is organized under the law of the United States and a

30 branch or agency of a bank that is not organized under the law of the

31 United States or a state are located:

32 (1) in the state that the law of the United States designates, if the

33 law designates a state of location;

34 (2) in the state that the registered organization, branch, or agency

35 designates, if the law of the United States authorizes the

36 registered organization, branch, or agency to designate its state of

37 location, **including by designating its main office, home office,**

38 **or other comparable office;** or

39 (3) in the District of Columbia, if neither paragraph (1) nor

40 paragraph (2) applies.

41 (g) A registered organization continues to be located in the

42 jurisdiction specified by subsection (e) or (f) notwithstanding:

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- 1 (1) the suspension, revocation, forfeiture, or lapse of the
- 2 registered organization's status as such in its jurisdiction of
- 3 organization; or
- 4 (2) the dissolution, winding up, or cancellation of the existence of
- 5 the registered organization.

6 (h) The United States is located in the District of Columbia.

7 (i) A branch or agency of a bank that is not organized under the law

8 of the United States or a state is located in the state in which the branch

9 or agency is licensed, if all branches and agencies of the bank are

10 licensed in only one **(1)** state.

11 (j) A foreign air carrier under the Federal Aviation Act of 1958, as

12 amended, is located at the designated office of the agent upon which

13 service of process may be made on behalf of the carrier.

14 (k) This section applies only for purposes of IC 26-1-9.1-301

15 through IC 26-1-9.1-342.

16 SECTION 6. IC 26-1-9.1-311, AS AMENDED BY P.L.210-2005,

17 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

18 JULY 1, 2013]: Sec. 311. (a) Except as otherwise provided in

19 subsection (d), the filing of a financing statement is not necessary or

20 effective to perfect a security interest in property subject to:

- 21 (1) a statute, regulation, or treaty of the United States whose
- 22 requirements for a security interest's obtaining priority over the
- 23 rights of a lien creditor with respect to the property preempt
- 24 IC 26-1-9.1-310(a);
- 25 (2) any Indiana ~~certificate-of-title~~ statute covering automobiles,
- 26 trailers, mobile homes, or boats, which provides for a security
- 27 interest to be indicated on ~~the a~~ **certificate of title** as a condition
- 28 or result of perfection; or
- 29 (3) a ~~certificate-of-title~~ statute of another jurisdiction which
- 30 provides for a security interest to be indicated on ~~the a~~ **certificate**
- 31 **of title** as a condition or result of the security interest's obtaining
- 32 priority over the rights of a lien creditor with respect to the
- 33 property.

34 (b) Compliance with the requirements of a statute, regulation, or

35 treaty described in subsection (a) for obtaining priority over the rights

36 of a lien creditor is equivalent to the filing of a financing statement

37 under IC 26-1-9.1. Except as otherwise provided in subsection (d),

38 IC 26-1-9.1-313, IC 26-1-9.1-316(d), and IC 26-1-9.1-316(e) for goods

39 covered by a certificate of title, a security interest in property subject

40 to a statute, regulation, or treaty described in subsection (a) may be

41 perfected only by compliance with those requirements, and a security

42 interest so perfected remains perfected notwithstanding a change in the

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1 use or transfer of possession of the collateral.

2 (c) Except as otherwise provided in subsection (d),
3 IC 26-1-9.1-316(d), and IC 26-1-9.1-316(e), duration and renewal of
4 perfection of a security interest perfected by compliance with the
5 requirements prescribed by a statute, regulation, or treaty described in
6 subsection (a) are governed by the statute, regulation, or treaty. In other
7 respects, the security interest is subject to IC 26-1-9.1.

8 (d) During any period in which collateral, subject to a statute
9 specified in subsection (a)(2), is inventory held for sale or lease by a
10 person or leased by that person as lessor, and that person is in the
11 business of selling goods of that kind, this section does not apply to a
12 security interest in that collateral created by that person, but instead,
13 the filing provisions of IC 26-1-9.1-501 through IC 26-1-9.1-527 apply.

14 SECTION 7. IC 26-1-9.1-316 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 316. (a) A security
16 interest perfected pursuant to the law of the jurisdiction designated in
17 IC 26-1-9.1-301(1) or IC 26-1-9.1-305(c) remains perfected until the
18 earliest of:

- 19 (1) the time perfection would have ceased under the law of that
20 jurisdiction;
21 (2) the expiration of four (4) months after a change of the debtor's
22 location to another jurisdiction; or
23 (3) the expiration of one (1) year after a transfer of collateral to a
24 person that thereby becomes a debtor and is located in another
25 jurisdiction.

26 (b) If a security interest described in subsection (a) becomes
27 perfected under the law of the other jurisdiction before the earliest time
28 or event described in that subsection, it remains perfected thereafter.
29 If the security interest does not become perfected under the law of the
30 other jurisdiction before the earliest time or event, it becomes
31 unperfected and is deemed never to have been perfected as against a
32 purchaser of the collateral for value.

33 (c) A possessory security interest in collateral, other than goods
34 covered by a certificate of title and as-extracted collateral consisting of
35 goods, remains continuously perfected if:

- 36 (1) the collateral is located in one (1) jurisdiction and subject to
37 a security interest perfected under the law of that jurisdiction;
38 (2) thereafter the collateral is brought into another jurisdiction;
39 and
40 (3) upon entry into the other jurisdiction, the security interest is
41 perfected under the law of the other jurisdiction.

42 (d) Except as otherwise provided in subsection (e), a security

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1 interest in goods covered by a certificate of title which is perfected by
 2 any method under the law of another jurisdiction when the goods
 3 become covered by a certificate of title from this state remains
 4 perfected until the security interest would have become unperfected
 5 under the law of the other jurisdiction had the goods not become so
 6 covered.

7 (e) A security interest described in subsection (d) becomes
 8 unperfected as against a purchaser of the goods for value and is deemed
 9 never to have been perfected as against a purchaser of the goods for
 10 value if the applicable requirements for perfection under
 11 IC 26-1-9.1-311(b) or IC 26-1-9.1-313 are not satisfied before the
 12 earlier of:

13 (1) the time the security interest would have become unperfected
 14 under the law of the other jurisdiction had the goods not become
 15 covered by a certificate of title from this state; or

16 (2) the expiration of four (4) months after the goods had become
 17 so covered.

18 (f) A security interest in deposit accounts, letter-of-credit rights, or
 19 investment property which is perfected under the law of the bank's
 20 jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction,
 21 the securities intermediary's jurisdiction, or the commodity
 22 intermediary's jurisdiction, as applicable, remains perfected until the
 23 earlier of:

24 (1) the time the security interest would have become unperfected
 25 under the law of that jurisdiction; or

26 (2) the expiration of four (4) months after a change of the
 27 applicable jurisdiction to another jurisdiction.

28 (g) If a security interest described in subsection (f) becomes
 29 perfected under the law of the other jurisdiction before the earlier of the
 30 time or the end of the period described in that subsection, it remains
 31 perfected thereafter. If the security interest does not become perfected
 32 under the law of the other jurisdiction before the earlier of that time or
 33 the end of that period, it becomes unperfected and is deemed never to
 34 have been perfected as against a purchaser of the collateral for value.

35 **(h) The following rules apply to collateral to which a security**
 36 **interest attaches within four (4) months after the debtor changes**
 37 **its location to another jurisdiction:**

38 **(1) A financing statement filed before the change under the**
 39 **law of the jurisdiction designated in IC 26-1-9.1-301(1) or**
 40 **IC 26-1-9.1-305(c) is effective to perfect a security interest in**
 41 **the collateral if the financing statement would have been**
 42 **effective to perfect a security interest in the collateral had the**

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debtor not changed its location.

(2) If a security interest perfected by a financing statement that is effective under subdivision (1) becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in IC 26-1-9.1-301(1) or IC 26-1-9.1-305(c) or the expiration of the four (4) month period, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

(i) If a financing statement naming an original debtor is filed under the law of the jurisdiction designated in IC 26-1-9.1-301(1) or IC 26-1-9.1-305(c) and the new debtor is located in another jurisdiction, the following rules apply:

(1) The financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four (4) months after, the new debtor becomes bound under IC 26-1-9.1-203(d), if the financing statement would have been effective to perfect a security interest in the collateral had the collateral been acquired by the original debtor.

(2) A security interest perfected by the financing statement and that becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in IC 26-1-9.1-301(1) or IC 26-1-9.1-305(c) or the expiration of the four (4) month period remains perfected thereafter. A security interest that is perfected by the financing statement but does not become perfected under the law of the other jurisdiction before the earlier time or event becomes unperfected and is considered never to have been perfected as against a purchaser of the collateral for value.

SECTION 8. IC 26-1-9.1-317, AS AMENDED BY P.L.143-2007, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 317. (a) A security interest or agricultural lien is subordinate to the rights of:

- (1) a person entitled to priority under IC 26-1-9.1-322; and
- (2) except as provided in subsection (e), a person that becomes a lien creditor before the earlier of the time:

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1 (A) the security interest or agricultural lien is perfected; or
 2 (B) one (1) of the conditions specified in
 3 IC 26-1-9.1-203(b)(3) is met;
 4 and a financing statement covering the collateral is filed.

5 (b) Except as otherwise provided in subsection (e), a buyer, other
 6 than a secured party, of tangible chattel paper, tangible documents,
 7 goods, instruments, or a **certificated** security ~~certificate~~ takes free of
 8 a security interest or agricultural lien if the buyer gives value and
 9 receives delivery of the collateral without knowledge of the security
 10 interest or agricultural lien and before it is perfected.

11 (c) Except as otherwise provided in subsection (e), a lessee of goods
 12 takes free of a security interest or agricultural lien if the lessee gives
 13 value and receives delivery of the collateral without knowledge of the
 14 security interest or agricultural lien and before it is perfected.

15 (d) A licensee of a general intangible or a buyer, other than a
 16 secured party, of ~~accounts, electronic chattel paper, electronic~~
 17 ~~documents, general intangibles, or investment property collateral~~ other
 18 than **tangible chattel paper, tangible documents, goods,**
 19 **instruments, or** a certificated security takes free of a security interest
 20 if the licensee or buyer gives value without knowledge of the security
 21 interest and before it is perfected.

22 (e) Except as otherwise provided in IC 26-1-9.1-320 and
 23 IC 26-1-9.1-321, if a person files a financing statement with respect to
 24 a purchase-money security interest before or within twenty (20) days
 25 after the debtor receives delivery of the collateral, the security interest
 26 takes priority over the rights of a buyer, lessee, or lien creditor that
 27 arise between the time the security interest attaches and the time of
 28 filing.

29 SECTION 9. IC 26-1-9.1-326 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 326. (a) Subject to
 31 subsection (b), a security interest **that is** created by a new debtor ~~which~~
 32 **is in collateral in which the new debtor has or acquires rights and**
 33 **is** perfected ~~solely~~ by a filed financing statement that is ~~effective solely~~
 34 ~~under IC 26-1-9.1-508 in collateral in which a new debtor has or~~
 35 ~~acquires rights would be ineffective to perfect the security interest~~
 36 **but for the application of IC 26-1-9.1-316(i)(1) or IC 26-1-9.1-508**
 37 is subordinate to a security interest in the same collateral that is
 38 perfected by another method.

39 (b) The other provisions of IC 26-1-9.1-301 through
 40 IC 26-1-9.1-342 determine the priority among conflicting security
 41 interests in the same collateral perfected by filed financing statements
 42 ~~that are effective solely under IC 26-1-9-508:~~ **described in subsection**

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1 (a). However, if the security agreements to which a new debtor became
 2 bound as a debtor were not entered into by the same original debtor, the
 3 conflicting security interests rank according to priority in time of the
 4 new debtor's having become bound.

5 SECTION 10. IC 26-1-9.1-406 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 406. (a) Subject to
 7 subsections (b) through (i), an account debtor on an account, chattel
 8 paper, or a payment intangible may discharge its obligation by paying
 9 the assignor until, but not after, the account debtor receives a
 10 notification, authenticated by the assignor or the assignee, that the
 11 amount due or to become due has been assigned and that payment is to
 12 be made to the assignee. After receipt of the notification, the account
 13 debtor may discharge its obligation by paying the assignee and may not
 14 discharge the obligation by paying the assignor.

15 (b) Subject to subsection (h), notification is ineffective under
 16 subsection (a):

- 17 (1) if it does not reasonably identify the rights assigned;
 18 (2) to the extent that an agreement between an account debtor and
 19 a seller of a payment intangible limits the account debtor's duty to
 20 pay a person other than the seller and the limitation is effective
 21 under law other than IC 26-1-9.1; or
 22 (3) at the option of an account debtor, if the notification notifies
 23 the account debtor to make less than the full amount of any
 24 installment or other periodic payment to the assignee, even if:
 25 (A) only a portion of the account, chattel paper, or payment
 26 intangible has been assigned to that assignee;
 27 (B) a portion has been assigned to another assignee; or
 28 (C) the account debtor knows that the assignment to that
 29 assignee is limited.

30 (c) Subject to subsection (h), if requested by the account debtor, an
 31 assignee shall seasonably furnish reasonable proof that the assignment
 32 has been made. Unless the assignee complies, the account debtor may
 33 discharge its obligation by paying the assignor, even if the account
 34 debtor has received a notification under subsection (a).

35 (d) Except as otherwise provided in subsection (e) and
 36 IC 26-1-2.1-303 and IC 26-1-9.1-407, and subject to subsection (h), a
 37 term in an agreement between an account debtor and an assignor or in
 38 a promissory note is ineffective to the extent that it:

- 39 (1) prohibits, restricts, or requires the consent of the account
 40 debtor or person obligated on the promissory note to the
 41 assignment or transfer of, or the creation, attachment, perfection,
 42 or enforcement of a security interest in, the account, chattel paper,

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payment intangible, or promissory note; or
(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

(e) Subsection (d) does not apply to the sale of a payment intangible or promissory note, **other than a sale pursuant to a disposition under IC 26-1-9.1-610 or an acceptance of collateral under IC 26-1-9.1-620.**

(f) Except as provided in IC 26-1-2.1-303 and ~~IC 26-1-9-407~~, **IC 25-1-9.1-407**, and subject to subsections (h) and (i), a rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

(1) prohibits, restricts, or requires the consent of the government, governmental body or official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in the account or chattel paper; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, right of recoupment, claim, defense, termination, right of termination, or remedy under the account or chattel paper.

(g) Subject to subsection (h), an account debtor may not waive or vary its option under subsection (b)(3).

(h) This section is subject to law other than IC 26-1-9.1 which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

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

SECTION 11. IC 26-1-9.1-408 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 408. (a) Except as otherwise provided in subsection (b), a term in a promissory note or in an agreement between an account debtor and a debtor that relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the

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1 promissory note or the account debtor to, the assignment or transfer of,
2 or creation, attachment, or perfection of a security interest in, the
3 promissory note, health-care-insurance receivable, or general
4 intangible, is ineffective to the extent that the term:

5 (1) would impair the creation, attachment, or perfection of a
6 security interest; or

7 (2) provides that the assignment, transfer, creation, attachment, or
8 perfection of the security interest may give rise to a default,
9 breach, right of recoupment, claim, defense, termination, right of
10 termination, or remedy under the promissory note,
11 health-care-insurance receivable, or general intangible.

12 (b) Subsection (a) applies to a security interest in a payment
13 intangible or promissory note only if the security interest arises out of
14 a sale of the payment intangible or promissory note, **other than a sale**
15 **under a disposition under IC 26-1-9.1-610 or an acceptance of**
16 **collateral under IC 26-1-9.1-620.**

17 (c) A rule of law, statute, or regulation, which prohibits, restricts, or
18 requires the consent of a government, governmental body or official,
19 person obligated on a promissory note, or account debtor to the
20 assignment or transfer of, or creation of a security interest in, a
21 promissory note, health-care-insurance receivable, or general
22 intangible, including a contract, permit, license, or franchise between
23 an account debtor and a debtor, is ineffective to the extent that the rule
24 of law, statute, or regulation:

25 (1) would impair the creation, attachment, or perfection of a
26 security interest; or

27 (2) provides that the assignment, transfer, creation, attachment, or
28 perfection of the security interest may give rise to a default,
29 breach, right of recoupment, claim, defense, termination, right of
30 termination, or remedy under the promissory note,
31 health-care-insurance receivable, or general intangible.

32 (d) To the extent that a term in a promissory note or in an agreement
33 between an account debtor and a debtor which relates to a
34 health-care-insurance receivable or general intangible or a rule of law,
35 statute, or regulation described in subsection (c) would be effective
36 under law other than IC 26-1-9.1 but is ineffective under subsection (a)
37 or (c), the creation, attachment, or perfection of a security interest in
38 the promissory note, health-care-insurance receivable, or general
39 intangible:

40 (1) is not enforceable against the person obligated on the
41 promissory note or the account debtor;

42 (2) does not impose a duty or obligation on the person obligated

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- 1 on the promissory note or the account debtor;
- 2 (3) does not require the person obligated on the promissory note
- 3 or the account debtor to recognize the security interest, pay or
- 4 render performance to the secured party, or accept payment or
- 5 performance from the secured party;
- 6 (4) does not entitle the secured party to use or assign the debtor's
- 7 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 (5) does not entitle the secured party to use, assign, possess, or
- 13 have access to any trade secrets or confidential information of the
- 14 person obligated on the promissory note or the account debtor;
- 15 and
- 16 (6) 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 (e) This section prevails over any inconsistent provision in statute,
 20 administrative rule, or regulation.

21 SECTION 12. IC 26-1-9.1-503 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 503. (a) A financing
 23 statement sufficiently provides the name of the debtor:

- 24 (1) **except as otherwise provided in subdivision (3),** if the
- 25 debtor is a registered organization **or the collateral is held in a**
- 26 **trust that is a registered organization,** only if the financing
- 27 statement provides the name of the debtor indicated **that is stated**
- 28 **to be the registered organization's name** on the public organic
- 29 record **of most recently filed with or issued or enacted by the**
- 30 **debtor's registered organization's** jurisdiction of organization
- 31 which shows the debtor to have been organized; **purports to**
- 32 **state, amend, or restate the registered organization's name;**
- 33 (2) **subject to subsection (f),** if the debtor is a decedent's estate;
- 34 **collateral is being administered by the personal representative**
- 35 **of a decedent,** only if the financing statement provides, **as the**
- 36 **name of the debtor,** the name of the decedent and, **in a separate**
- 37 **part of the financing statement,** indicates that the debtor is an
- 38 estate; **collateral is being administered by a personal**
- 39 **representative;**
- 40 (3) if the debtor is a trust or a trustee acting with respect to
- 41 property held in trust, only if the financing statement:
- 42 (A) provides the name specified for the trust in its organic

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1 documents or, if no name is specified, provides the name of
 2 the settlor and additional information sufficient to distinguish
 3 the debtor from other trusts having one (1) or more of the same
 4 settlors; and
 5 (B) indicates, in the debtor's name or otherwise, that the debtor
 6 is a trust or is a trustee acting with respect to property held in
 7 trust; and
 8 collateral is held in a trust that is not a registered
 9 organization, only if the financing statement:
 10 (A) provides, as the name of the debtor:
 11 (i) if the organic record of the trust specifies a name for
 12 the trust, the name specified; or
 13 (ii) if the organic record of the trust does not specify a
 14 name for the trust, the name of the settlor or testator;
 15 and
 16 (B) in a separate part of the financing statement:
 17 (i) if the name is provided in accordance with clause
 18 (A)(i), indicates that the collateral is held in a trust; or
 19 (ii) if the name is provided in accordance with clause
 20 (A)(ii), provides additional information sufficient to
 21 distinguish the trust from other trusts having one (1) or
 22 more of the same settlors of the same testator and
 23 indicates that the collateral is held in a trust, unless the
 24 additional information so indicates;
 25 (4) if the debtor is an individual, only if:
 26 (A) it provides the individual name of the debtor; or
 27 (B) it provides the surname and first personal name of the
 28 debtor; and
 29 (5) in other cases:
 30 (A) if the debtor has a name, only if it provides the individual
 31 or organizational name of the debtor; and
 32 (B) if the debtor does not have a name, only if it provides the
 33 names of the partners, members, associates, or other persons
 34 comprising the debtor, in a manner that each name provided
 35 would be sufficient if the person named were the debtor.
 36 (b) A financing statement that provides the name of the debtor in
 37 accordance with subsection (a) is not rendered ineffective by the
 38 absence of:
 39 (1) a trade name or other name of the debtor; or
 40 (2) unless required under subsection (a)(4)(B); (a)(5)(B), names
 41 of partners, members, associates, or other persons comprising the
 42 debtor.

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1 (c) A financing statement that provides only the debtor's trade name
 2 does not sufficiently provide the name of the debtor.
 3 (d) Failure to indicate the representative capacity of a secured party
 4 or representative of a secured party does not affect the sufficiency of a
 5 financing statement.
 6 (e) A financing statement may provide the name of more than one
 7 (1) debtor and the name of more than one (1) secured party.
 8 **(f) The name of the decedent indicated on the order appointing**
 9 **the personal representative of the decedent issued by the court**
 10 **having jurisdiction over the collateral is sufficient as the "name of**
 11 **the decedent" under subsection (a)(2).**
 12 **(g) In this section, the "name of the settlor or testator" means:**
 13 **(1) if the settlor is a registered organization, the name that is**
 14 **stated to be the settlor's name on the public organic record**
 15 **most recently filed with or issued or enacted by the settlor's**
 16 **jurisdiction of organization which purports to state, amend,**
 17 **or restate the settlor's name; or**
 18 **(2) in other cases, the name of the settlor or testator indicated**
 19 **in the trust's organic record.**
 20 SECTION 13. IC 26-1-9.1-515 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 515. (a) Except as
 22 otherwise provided in subsections (b), (e), (f), and (g), a filed financing
 23 statement is effective for a period of five (5) years after the date of
 24 filing.
 25 (b) Except as otherwise provided in subsections (e), (f), and (g), an
 26 initial financing statement filed in connection with a public-finance
 27 transaction or manufactured-home transaction is effective for a period
 28 of thirty (30) years after the date of filing if it indicates that it is filed
 29 in connection with a public-finance transaction or manufactured-home
 30 transaction.
 31 (c) The effectiveness of a filed financing statement lapses on the
 32 expiration of the period of its effectiveness unless, before the lapse, a
 33 continuation statement is filed pursuant to subsection (d). Upon lapse,
 34 a financing statement ceases to be effective and any security interest or
 35 agricultural lien that was perfected by the financing statement becomes
 36 unperfected, unless the security interest is perfected otherwise. If the
 37 security interest or agricultural lien becomes unperfected upon lapse,
 38 it is considered never to have been perfected as against a purchaser of
 39 the collateral for value.
 40 (d) A continuation statement may be filed only within six (6)
 41 months before the expiration of the five (5) year period specified in
 42 subsection (a) or the thirty (30) year period specified in subsection (b),

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1 whichever is applicable.

2 (e) Except as otherwise provided in IC 26-1-9.1-510, upon timely
3 filing of a continuation statement, the effectiveness of the initial
4 financing statement continues for a period of five (5) years
5 commencing on the day on which the financing statement would have
6 become ineffective in the absence of the filing. Upon the expiration of
7 the five (5) year period, the financing statement lapses in the same
8 manner as provided in subsection (c), unless, before the lapse, another
9 continuation statement is filed pursuant to subsection (d). Succeeding
10 continuation statements may be filed in the same manner to continue
11 the effectiveness of the initial financing statement.

12 (f) If a debtor is a transmitting utility and a filed **initial** financing
13 statement so indicates, the financing statement is effective until a
14 termination statement is filed.

15 (g) A record of a mortgage that is effective as a financing statement
16 filed as a fixture filing under IC 26-1-9.1-502(c) remains effective as
17 a financing statement filed as a fixture filing until the mortgage is
18 released or satisfied of record or its effectiveness otherwise terminates
19 as to the real property.

20 SECTION 14. IC 26-1-9.1-516 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 516. (a) Except as
22 otherwise provided in subsection (b), communication of a record to a
23 filing office and tender of the filing fee or acceptance of the record by
24 the filing office constitutes filing.

25 (b) Filing does not occur with respect to a record that a filing office
26 refuses to accept because:

27 (1) the record is not communicated by a method or medium of
28 communication authorized by the filing office;
29 (2) an amount equal to or greater than the applicable filing fee is
30 not tendered;

31 (3) the filing office is unable to index the record because:

32 (A) in the case of an initial financing statement, the record
33 does not provide a name for the debtor;

34 (B) in the case of an amendment or ~~correction~~ **information**
35 statement, the record:

36 (i) does not identify the initial financing statement as
37 required by IC 26-1-9.1-512 or IC 26-1-9.1-518, as
38 applicable; or

39 (ii) identifies an initial financing statement whose
40 effectiveness has lapsed under IC 26-1-9.1-515;

41 (C) in the case of an initial financing statement that provides
42 the name of a debtor identified as an individual or an

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- 1 amendment that provides a name of a debtor identified as an
 2 individual which was not previously provided in the financing
 3 statement to which the record relates, the record does not
 4 identify the debtor's ~~last name; surname;~~ or
 5 (D) in the case of a record recorded in the filing office
 6 described in IC 26-1-9.1-501(a)(1), the record does not
 7 provide a sufficient description of the real property to which
 8 it relates;
- 9 (4) in the case of an initial financing statement or an amendment
 10 that adds a secured party of record, the record does not provide a
 11 name and mailing address for the secured party of record;
- 12 (5) in the case of an initial financing statement or an amendment
 13 that provides a name of a debtor that was not previously provided
 14 in the financing statement to which the amendment relates, the
 15 record does not:
- 16 (A) provide a mailing address for the debtor; **or**
 17 (B) indicate whether the **name provided as the name of the**
 18 **debtor is the name of** an individual or an organization; ~~or~~
 19 ~~(C) if the financing statement indicates that the debtor is an~~
 20 ~~organization; provide:~~
- 21 ~~(i) a type of organization for the debtor;~~
 22 ~~(ii) a jurisdiction of organization for the debtor; or~~
 23 ~~(iii) an organizational identification number for the debtor~~
 24 ~~or indicate that the debtor has none;~~
- 25 (6) in the case of an assignment reflected in an initial financing
 26 statement under IC 26-1-9.1-514(a) or an amendment filed under
 27 IC 26-1-9.1-514(b), the record does not provide a name and
 28 mailing address for the assignee; or
- 29 (7) in the case of a continuation statement, the record is not filed
 30 within the six (6) month period prescribed by IC 26-1-9.1-515(d).
- 31 (c) For purposes of subsection (b):
- 32 (1) a record does not provide information if the filing office is
 33 unable to read or decipher the information; and
- 34 (2) a record that does not indicate that it is an amendment or
 35 identify an initial financing statement to which it relates, as
 36 required by IC 26-1-9.1-512, IC 26-1-9.1-514, or IC 26-1-9.1-518,
 37 is an initial financing statement.
- 38 (d) A record that is communicated to the filing office with tender of
 39 the filing fee, but which the filing office refuses to accept for a reason
 40 other than one (1) set forth in subsection (b), is effective as a filed
 41 record except as against a purchaser of the collateral which gives value
 42 in reasonable reliance upon the absence of the record from the files.

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1 SECTION 15. IC 26-1-9.1-518 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 518. (a) A person may
3 file in the filing office ~~a correction~~ **an information** statement with
4 respect to a record indexed there under the person's name if the person
5 believes that the record is inaccurate or was wrongfully filed.

6 (b) ~~A correction~~ **An information statement under subsection (a)**
7 must:

- 8 (1) identify the record to which it relates by the file number
- 9 assigned to the initial financing statement to which the record
- 10 relates;
- 11 (2) indicate that it is ~~a correction~~ **an information** statement; and
- 12 (3) provide the basis for the person's belief that the record is
- 13 inaccurate and indicate the manner in which the person believes
- 14 the record should be amended to cure any inaccuracy or provide
- 15 the basis for the person's belief that the record was wrongfully
- 16 filed.

17 (c) **A person may file in the filing office an information**
18 **statement with respect to a record filed there if the person is a**
19 **secured party of record with respect to the financing statement to**
20 **which the record relates and believes that the person that filed the**
21 **record was not entitled to do so under IC 26-1-9.1-509(d).**

22 (d) **An information statement under subsection (c) must:**

- 23 (1) **identify the record to which it relates by the file number**
- 24 **assigned to the initial financing statement to which the record**
- 25 **relates;**
- 26 (2) **indicate that it is an information statement; and**
- 27 (3) **provide the basis for the person's belief that the person**
- 28 **that filed the record was not entitled to do so under**
- 29 **IC 26-1-9.1-509(d).**

30 ~~(c)~~ (e) The filing of ~~a correction~~ **an information** statement does not
31 affect the effectiveness of an initial financing statement or other filed
32 record.

33 SECTION 16. IC 26-1-9.1-521, AS AMENDED BY P.L.1-2007,
34 SECTION 182, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2013]: Sec. 521. (a) A filing office that accepts
36 written records may not refuse to accept a written initial financing
37 statement in the **following** form ~~specified in IC 26-1-1.5~~ and format
38 except for a reason set forth in IC 26-1-9.1-516(b):

39 **UCC FINANCING STATEMENT**
40 **FOLLOW INSTRUCTIONS**
41 **A. NAME & PHONE OF CONTACT AT FILER (optional)**

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B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

**THE ABOVE SPACE IS FOR
FILING OFFICE USE ONLY**

**1. DEBTOR'S NAME - provide only January 11 one Debtor
Judiciary. name (1a or 1b) (use exact, full name; do not omit,
modify, or abbreviate any word in the Debtor's name)**

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE SUFFIX
PART OF THE NAME OF THIS DEBTOR

1c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

**2. DEBTOR'S NAME - provide only one Debtor name (2a or 2b) (use exact, full
name; do not omit, modify, or abbreviate any word in the Debtor's name)**

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) THAT
ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

2c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

**3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR
SECURED PARTY) - provide only one Secured Party name (3a or 3b)**

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

3c. MAILING ADDRESS

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

**5. Check only if applicable and check only one box:
Collateral is held in a Trust (see Instructions)**

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being administered by a Decedent's Personal Representative.

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction
 A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor
 Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA

[UCC FINANCING STATEMENT (Form UCC1)]

UCC FINANCING STATEMENT ADDENDUM
FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR (same as item 1a or 1b on Financing Statement)

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

THE ABOVE SPACE IS FOR
FILING OFFICE USE ONLY

10. ADDITIONAL DEBTOR'S NAME - provide only one Debtor name (10a or 10b)
(use exact, full name; do not omit, modify, or abbreviate any word in the Debtor's name)

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

10c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR

SECURED PARTY'S NAME - provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

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- 13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)
- 14. This FINANCING STATEMENT:
 - covers timber to be cut covers as-extracted collateral is filed as a fixture filing
- 15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

[UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad)]

(b) A filing office that accepts written records may not refuse to accept a written record in the **following** form ~~specified in IC 26-1-1.5~~ and format except for a reason described in IC 26-1-9.1-516(b):

UCC FINANCING STATEMENT AMENDMENT
FOLLOW INSTRUCTIONS

- A. NAME & PHONE OF CONTACT AT FILER (optional)
- B. E-MAIL CONTACT AT FILER (optional)
- C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR
FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13.

- 2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement
- 3. ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9. For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8
- 4. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law
- 5. PARTY INFORMATION CHANGE:
Check one of these two boxes:
This Change affects Debtor or Secured Party of record.
AND
Check one of these three boxes to:
 CHANGE name and/or address: Complete item 6a or 6b, and item 7a or 7b and item 7c.
 ADD name: Complete item 7a or 7b, and item 7c.
 DELETE name: Give record name to be deleted in item 6a or 6b.
- 6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b) (use exact, full name; do not omit, modify, or

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abbreviate any word in the Debtor's name)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

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

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

7c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

8. COLLATERAL CHANGE:

Also check one of these four boxes:

ADD collateral DELETE collateral RESTATE covered collateral

ASSIGN collateral

Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS

AMENDMENT - provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)

If this is an Amendment authorized by a DEBTOR, check here and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

10. OPTIONAL FILER REFERENCE DATA

[UCC FINANCING STATEMENT AMENDMENT (Form UCC3)]

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS

11. INITIAL FINANCING STATEMENT FILE NUMBER (same as item 1a on Amendment form)

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

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THE ABOVE SPACE IS FOR
FILING OFFICE USE ONLY

13. Name of DEBTOR on related financing statement (Name of a current Debtor of record required for indexing purposes only in some filing offices - see Instruction for item 13 - insert only one Debtor name (13a or 13b) (use exact, full name; do not omit, modify, or abbreviate any word in the Debtor's name)

13a. ORGANIZATION'S NAME

OR

13b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

14. ADDITIONAL SPACE FOR ITEM 8 (Collateral)

15. This FINANCING STATEMENT AMENDMENT: covers timber to be cut covers as-extracted collateral is filed as a fixture filing

16. Name and address of a RECORD OWNER of real estate described in item 17 (if Debtor does not have a record interest):

17. Description of real estate

18. MISCELLANEOUS:

[UCC FINANCING STATEMENT AMENDMENT ADDENDUM (Form UCC3Ad)]
SECTION 17. IC 26-1-9.1-607 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 607. (a) If so agreed, and in any event after default, a secured party:

- (1) may notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to or for the benefit of the secured party;
- (2) may take any proceeds to which the secured party is entitled under IC 26-1-9.1-315;
- (3) may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;
- (4) if it holds a security interest in a deposit account perfected by control under IC 26-1-9.1-104(a)(1), may apply the balance of the deposit account to the obligation secured by the deposit account; and
- (5) if it holds a security interest in a deposit account perfected by control under IC 26-1-9.1-104(a)(2) or IC 26-1-9.1-104(a)(3), may instruct the bank to pay the balance of the deposit account to

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1 or for the benefit of the secured party.

2 (b) If necessary to enable a secured party to exercise under

3 subsection (a)(3) the right of a debtor to enforce a mortgage

4 nonjudicially, the secured party may record in the office in which a

5 record of the mortgage is recorded:

6 (1) a copy of the security agreement that creates or provides for

7 a security interest in the obligation secured by the mortgage; and

8 (2) the secured party's sworn affidavit in recordable form stating

9 that:

10 (A) a default has occurred **with respect to the obligation**

11 **secured by the mortgage;** and

12 (B) the secured party is entitled to enforce the mortgage

13 nonjudicially.

14 (c) A secured party shall proceed in a commercially reasonable

15 manner if the secured party:

16 (1) undertakes to collect from or enforce an obligation of an

17 account debtor or other person obligated on collateral; and

18 (2) is entitled to charge back uncollected collateral or otherwise

19 to full or limited recourse against the debtor or a secondary

20 obligor.

21 (d) A secured party may deduct from the collections made pursuant

22 to subsection (c) reasonable expenses of collection and enforcement,

23 including reasonable attorney's fees and legal expenses incurred by the

24 secured party.

25 (e) This section does not determine whether an account debtor,

26 bank, or other person obligated on collateral owes a duty to a secured

27 party.

28 SECTION 18. IC 26-1-9.1-801 IS ADDED TO THE INDIANA

29 CODE AS A NEW SECTION TO READ AS FOLLOWS

30 [EFFECTIVE JULY 1, 2013]: **Sec. 801. (a) Except as otherwise**

31 **provided in this section through IC 26-1-9.1-808, amendments to**

32 **this chapter made by legislation enacted during the 2011 session of**

33 **the general assembly apply to a transaction or lien with its scope,**

34 **even if the transaction or lien was entered into or created before**

35 **the amendments to this chapter made by legislation enacted during**

36 **the 2011 session of the general assembly take effect (July 1, 2013).**

37 (b) **The amendments to this chapter made by legislation enacted**

38 **during the 2011 session of the general assembly do not affect an**

39 **action, case, or proceeding commenced before the amendments to**

40 **this chapter made by legislation enacted during the 2011 session of**

41 **the general assembly take effect (July 1, 2013).**

42 SECTION 19. IC 26-1-9.1-802 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2013]: **Sec. 802. (a)** A security interest that
 3 is a perfected security interest immediately before the amendments
 4 to this chapter made by legislation enacted during the 2011 session
 5 of the general assembly take effect (July 1, 2013) is a perfected
 6 security interest under this chapter, as amended by legislation
 7 enacted during the 2011 session of the general assembly if, when
 8 the amendments to this chapter made by legislation enacted during
 9 the 2011 session of the general assembly take effect (July 1, 2013),
 10 the applicable requirements for attachment and perfection under
 11 this chapter, as amended by legislation enacted during the 2011
 12 session of the general assembly, are satisfied without further
 13 action.

14 (b) Except as otherwise provided in IC 26-1-9.1-804, if,
 15 immediately before the amendments to this chapter made by
 16 legislation enacted during the 2011 session of the general assembly
 17 take effect (July 1, 2013), a security interest is a perfected security
 18 interest, but the applicable requirements for perfection under this
 19 chapter, as amended by legislation enacted during the 2011 session
 20 of the general assembly, are not satisfied when the amendments to
 21 this chapter made by legislation enacted during the 2011 session of
 22 the general assembly take effect (July 1, 2013), the security interest
 23 remains perfected thereafter only if the applicable requirements
 24 for perfection under this chapter, as amended by legislation
 25 enacted during the 2011 session of the general assembly, are
 26 satisfied within one (1) year after the amendments to this chapter
 27 made by legislation enacted during the 2011 session of the general
 28 assembly take effect (July 1, 2013).

29 SECTION 20. IC 26-1-9.1-803 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2013]: **Sec. 803.** A security interest that is an
 32 unperfected security interest immediately before the amendments
 33 to this chapter made by legislation enacted during the 2011 session
 34 of the general assembly take effect (July 1, 2013) becomes a
 35 perfected security interest:

- 36 (1) without further action, when the amendments to this
- 37 chapter made by legislation enacted during the 2011 session
- 38 of the general assembly take effect (July 1, 2013) if the
- 39 applicable requirements for perfection under this chapter, as
- 40 amended by legislation enacted during the 2011 session of the
- 41 general assembly, are satisfied before or at that time; or
- 42 (2) when the applicable requirements for perfection are

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1 satisfied if the requirements are satisfied after this time.

2 SECTION 21. IC 26-1-9.1-804 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2013]: **Sec. 804. (a) The filing of a financing**
5 **statement before the amendments to this chapter made by**
6 **legislation enacted during the 2011 session of the general assembly**
7 **take effect (July 1, 2013) is effective to perfect a security interest to**
8 **the extent the filing would satisfy the applicable requirements for**
9 **perfection under this chapter, as amended by legislation enacted**
10 **during the 2011 session of the general assembly.**

11 (b) The amendments to this chapter made by legislation enacted
12 during the 2011 session of the general assembly do not render
13 ineffective an effective financing statement that, before the
14 amendments to this chapter made by legislation enacted during the
15 2011 session of the general assembly take effect (July 1, 2013), is
16 filed and satisfies the applicable requirements for perfection under
17 the law of the jurisdiction governing perfection provided in this
18 chapter as it existed before it was amended by legislation enacted
19 during the 2011 session of the general assembly. However, except
20 as otherwise provided in subsections (c) and (d) and
21 IC 26-1-9.1-805, the financing statement ceases to be effective:

22 (1) if the financing statement is filed in this state, at the time
23 the financing statement would have ceased to be effective had
24 the amendments to this chapter made by legislation enacted
25 during the 2011 session of the general assembly not taken
26 effect; or

27 (2) if the financing statement is filed in another jurisdiction,
28 at the earlier of:

29 (A) the time the financing statement would have ceased to
30 be effective under the law of that jurisdiction; or

31 (B) June 30, 2018.

32 (c) The filing of a continuation statement after the amendments
33 to this chapter made by legislation enacted during the 2011 session
34 of the general assembly take effect (July 1, 2013) does not continue
35 the effectiveness of a financing statement filed before the
36 amendments to this chapter made by legislation enacted during the
37 2011 session of the general assembly take effect (July 1, 2013).
38 However, upon the timely filing of a continuation statement after
39 the amendments to this chapter made by legislation enacted during
40 the 2011 session of the general assembly take effect (July 1, 2013)
41 and in accordance with the law of the jurisdiction governing
42 perfection as provided in this chapter as amended by legislation

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1 enacted during the 2011 session of the general assembly, the
 2 effectiveness of a financing statement filed in the same office in that
 3 jurisdiction before the amendments to this chapter made by
 4 legislation enacted during the 2011 session of the general assembly
 5 take effect (July 1, 2013) continues for the period provided by the
 6 law of that jurisdiction.

7 (d) Subsection (b)(2)(B) applies to a financing statement that,
 8 before the amendments to this chapter made by legislation enacted
 9 during the 2011 session of the general assembly take effect (July 1,
 10 2013), is filed against a transmitting utility and satisfies the
 11 applicable requirements for perfection under the law of the
 12 jurisdiction governing perfection as provided in this chapter as it
 13 existed before it was amended by legislation enacted during the
 14 2011 session of the general assembly, only to the extent that this
 15 chapter, as amended by legislation enacted during the 2011 session
 16 of the general assembly, provides that the law of a jurisdiction
 17 other than the jurisdiction in which the financing statement is filed
 18 governs perfection of a security interest in collateral covered by the
 19 financing statement.

20 (e) A financing statement that includes a financing statement
 21 filed before the amendments to this chapter made by legislation
 22 enacted during the 2011 session of the general assembly take effect
 23 (July 1, 2013) and a continuation statement filed after the
 24 amendments to this chapter made by legislation enacted during the
 25 2011 session of the general assembly take effect (July 1, 2013) is
 26 effective only to the extent that it satisfies the requirements of
 27 IC 26-1-9.1-501 through IC 26-1-9.1-527, as amended by legislation
 28 enacted during the 2011 session of the general assembly, for an
 29 initial financing statement. A financing statement that indicates
 30 that the debtor is a decedent's estate indicates that the collateral is
 31 being administered by a personal representative within the
 32 meaning of IC 26-1-9.1-503(a)(2), as amended by legislation
 33 enacted during the 2011 session of the general assembly. A
 34 financing statement that indicates that the debtor is a trust or is a
 35 trustee acting with respect to property held in trust indicates that
 36 the collateral is held in a trust within the meaning of
 37 IC 26-1-9.1-503(a)(3), as amended by legislation enacted during the
 38 2011 session of the general assembly.

39 SECTION 22. IC 26-1-9.1-805 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2013]: **Sec. 805. (a) The filing of an initial**
 42 **financing statement in the office specified in IC 26-1-9.1-501**

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1 continues the effectiveness of a financing statement filed before the
 2 amendments to this chapter made by legislation enacted during the
 3 2011 session of the general assembly take effect (July 1, 2013) if:

4 (1) the filing of an initial financing statement in that office
 5 would be effective to perfect a security interest under this
 6 chapter, as amended by legislation enacted during the 2011
 7 session of the general assembly;

8 (2) the pre-effective-date financing statement was filed in an
 9 office in another state; and

10 (3) the initial financing statement satisfies subsection (c).

11 (b) The filing of an initial financing statement under subsection
 12 (a) continues the effectiveness of the pre-effective-date financing
 13 statement:

14 (1) if the initial financing statement is filed before the
 15 amendments to this chapter made by legislation enacted
 16 during the 2011 session of the general assembly take effect
 17 (July 1, 2013), for the period provided in IC 26-1-9.1-515,
 18 before it was amended by legislation enacted during the 2011
 19 session of the general assembly, with respect to an initial
 20 financing statement; and

21 (2) if the initial financing statement is filed after the
 22 amendments to this chapter made by legislation enacted
 23 during the 2011 session of the general assembly take effect
 24 (July 1, 2013), for the period provided in IC 26-1-9.1-515, as
 25 amended by legislation enacted during the 2011 session of the
 26 general assembly with respect to an initial financing
 27 statement.

28 (c) To be effective for purposes of subsection (a), an initial
 29 financing statement must:

30 (1) satisfy the requirements of IC 26-1-9.1-501 through
 31 IC 26-1-9.1-527, as amended by legislation enacted during the
 32 2011 session of the general assembly for an initial financing
 33 statement;

34 (2) identify the pre-effective-date financing statement by
 35 indicating the office in which the financing statement was filed
 36 and providing the dates of filing and file numbers, if any, of
 37 the financing statement and of the most recent continuation
 38 statement filed with respect to the financing statement; and

39 (3) indicate that the pre-effective-date financing statement
 40 remains effective.

41 SECTION 23. IC 26-1-9.1-806 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2013]: **Sec. 806. (a) In this section,**
 2 **"pre-effective-date financing statement" means a financing**
 3 **statement filed before the amendments to this chapter made by**
 4 **legislation enacted during the 2011 session of the general assembly**
 5 **take effect (July 1, 2013).**

6 **(b) After the amendments to this chapter made by legislation**
 7 **enacted during the 2011 session of the general assembly take effect**
 8 **(July 1, 2013), a person may add or delete collateral covered by,**
 9 **continue or terminate the effectiveness of, or otherwise amend the**
 10 **information provided in, a pre-effective-date financing statement**
 11 **only in accordance with the law of the jurisdiction governing**
 12 **perfection as provided in this chapter, as amended by legislation**
 13 **enacted during the 2011 session of the general assembly. However,**
 14 **the effectiveness of a pre-effective-date financing statement also**
 15 **may be terminated in accordance with the law of the jurisdiction**
 16 **in which the financing statement is filed.**

17 **(c) Except as otherwise provided in subsection (d), if the law of**
 18 **this state governs perfection of a security interest, the information**
 19 **in a pre-effective-date financing statement may be amended after**
 20 **the amendments to this chapter made by legislation enacted during**
 21 **the 2011 session of the general assembly take effect (July 1, 2013)**
 22 **only if:**

- 23 **(1) the pre-effective-date financing statement and an**
 24 **amendment are filed in the office specified in IC 26-1-9.1-501;**
 25 **(2) an amendment is filed in the office specified in**
 26 **IC 26-1-9.1-501 concurrently with, or after the filing in that**
 27 **office of, an initial financing statement that satisfies**
 28 **IC 26-1-9.1-805(c); or**
 29 **(3) an initial financing statement that provides the**
 30 **information as amended and satisfies IC 26-1-9.1-805(c) is**
 31 **filed in the office specified in IC 26-1-9.1-501.**

32 **(d) If the law of this state governs perfection of a security**
 33 **interest, the effectiveness of a pre-effective-date financing**
 34 **statement may be continued only under IC 26-1-9.1-804(c) and**
 35 **IC 26-1-9.1-804(e) or IC 26-1-9.1-805.**

36 **(e) Whether or not the law of this state governs perfection of a**
 37 **security interest, the effectiveness of a pre-effective-date financing**
 38 **statement filed in this state may be terminated after the**
 39 **amendments to this chapter made by legislation enacted during the**
 40 **2011 session of the general assembly take effect (July 1, 2013) by**
 41 **filing a termination statement in the office in which the**
 42 **pre-effective-date financing statement is filed, unless an initial**

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1 financing statement that satisfies IC 26-1-9.1-805(c) has been filed
2 in the office specified by the law of the jurisdiction governing
3 perfection as provided in this chapter, as amended by legislation
4 enacted during the 2011 session of the general assembly, as the
5 office in which to file a financing statement.

6 SECTION 24. IC 26-1-9.1-807 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2013]: **Sec. 807.** A person may file an initial
9 financing statement or a continuation statement under this part if:

- 10 (1) the secured party of record authorizes the filing; and
- 11 (2) the filing is necessary under this part:
 - 12 (A) to continue the effectiveness of a financing statement
 - 13 filed before the amendments to this chapter made by
 - 14 legislation enacted during the 2011 session of the general
 - 15 assembly take effect (July 1, 2013); or
 - 16 (B) to perfect or continue the perfection of a security
 - 17 interest.

18 SECTION 25. IC 26-1-9.1-808 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2013]: **Sec. 808.** The amendments to this
21 chapter made by legislation enacted during the 2011 session of the
22 general assembly determine the priority of conflicting claims to
23 collateral. However, if the relative priorities of the claims were
24 established before the amendments to this chapter made by
25 legislation enacted during the 2011 session of the general assembly
26 take effect (July 1, 2013), this chapter, as it existed before
27 amendments to this chapter made by legislation enacted during the
28 2011 session of the general assembly, determines priority.

29 SECTION 26. IC 26-1-1.5-2 IS REPEALED [EFFECTIVE JULY
30 1, 2013].

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