

State of Connecticut
Regulation of
Office of the Secretary of the State
Concerning
Uniform Commercial Code Article 9 Filing Procedures

Sections 42a-9-1 to 42a-9-6, inclusive, of the Regulations of Connecticut State Agencies are amended to read as follows:

Sec. 42a-9-1. Definitions

For purposes of Sections 42a-9-1 to 42a-9-6, inclusive, of the Regulations of Connecticut State Agencies:

(1) "Amendment" means any UCC record filed that relates to the initial financing statement. Amendments include party or collateral changes, assignments, continuations and terminations. [an assignment, continuation statement, termination statement or statement purporting to add, change or delete information in a financing statement.]

(2) "Assignment" means an amendment that [purports to reflect an assignment] assigns all or a part of a secured party's power to authorize an amendment to a financing statement.

(3) "Continuation statement" means "Continuation statement" as defined in section 42a-9-102(a)(27) of the Connecticut General Statutes.

[(4) "Correction statement" means a record that purports to indicate that a financing statement is inaccurate or wrongfully filed.]

[(5)] (4) "Debtor" means "Debtor" as defined in section 42a-9-102(a)(28) of the Connecticut General Statutes.

[(6)] (5) "File number" means "File number" as defined in section 42a-9-102(a)(36) of the Connecticut General Statutes.

[(7)] (6) "Filing office" means the Office of the Secretary of the State.

(7) "Filing office statement" means a statement entered into the filing office's UCC information management system to explain a corrective action taken by the filing office.

(8) "Financing statement" means "Financing statement" as defined in section 42a-9-102(a)(39) of the Connecticut General Statutes.

(9) "Individual" means a natural person.

(10) "Information statement" means a UCC record that indicates a financing statement is inaccurate or wrongfully filed.

[(10)] (11) "Initial Financing Statement" means a UCC record that [does not identify itself as an amendment or correction statement or identify an initial financing statement to which it relates] causes the filing office to establish the initial record of filing of a financing statement.

[(11)] (12) "Noise word" means a word or symbol that is so common as to not be useful in searches and which is ignored by the UCC information management system. Noise words are limited to the following: &, and, Corporation, Incorporated, Company, Societa Per Azioni,

Limited, Corp., Inc., Co., S.p.A, LTD., Limited Liability Company, L.L.C., LLC, LTD. Liability Company, Limited Liability Co., Registered Limited Liability Partnership, Limited Liability Partnership, LLP, L.L.P., Statutory Trust, Limited Liability Trust, LLT, L.L.T., and The.

(12) "Organization" means a legal person who is not an individual.

(13) "Remitter" means a person who tenders a UCC document to the filing office for filing. "Remitter" does not include a person responsible merely for the delivery of the document to the filing office, such as the United States Postal Service or a courier service. The remitter, aka "submitter" "filer" is not necessarily the secure party.

(14) "Secured party" means "Secured party" as defined in section 42a-9-102(a)[(72)] 73 of the Connecticut General Statutes.

(15) "Termination statement" means "Termination statement" as defined in section 42a-9-102(a)(79) of the Connecticut General Statutes.

(16) "Through date" means the latest date in time for which all records have been entered into the UCC information management system.

(17) "UCC" means Uniform Commercial Code as adopted in this state and as amended from time to time.

[(18) "UCC document" means an initial financing statement, an amendment or a correction statement.]

[(19)] (18) "UCC information management system" means [the body of information containing the UCC records, index and related data base maintained by the office of the Secretary of the State, including without limitation, all UCC documents relating to any given filing.] the information management system used by the filing office to store, index, and retrieve information relating to financing statements.

(19) "UCC record" means an initial financing statement, an amendment or an information statement, in any medium accepted by the filing office, and includes a record thereof maintained by the filing office.

(20) "Unlapsed" record means a UCC record that has been stored and indexed in the UCC information management system, which has a lapse date that has not yet occurred.

Sec. 42a-9-2. General provisions

(a) **Forms.** The Secretary of the State may prescribe and furnish on request forms required or permitted to be filed by sections 42a-9-101 to 42a-9-[xxx] 809, inclusive, of the Connecticut General Statutes, but their use is not mandatory.

(b) **Document delivery.** UCC documents may be [tendered] communicated for filing at the filing office as follows:

(1) Personal Delivery. Personal delivery by remitter, at the filing office's street address. The file date and time for a UCC [document] record delivered by this method is when delivery of the UCC [document] record is [accepted] taken by the filing office[.] (even though the UCC record may not yet have been accepted for filing and subsequently may be rejected). A UCC record delivered after regular business hours or on a day the filing office is not open for business shall have a filing date and time of 8:30 am on the next day the filing office is open for business.

(2) Postal or courier delivery. United States Postal Service [or courier delivery], to the filing office's mailing address or courier delivery, to the filing office's street address. The file date and time for an accepted UCC [document] record delivered by this method is 8:30 a.m. on the date it is received in the filing office. An accepted UCC [document] record delivered after regular business hours or on a [date] day the filing office is not open for business shall have a filing date and time of 8:30 a.m. on the next day the filing office is open for business.

(3) [Facsimile delivery,] Digital mail. Electronic mail delivery, to the filing office's [facsimile filing telephone number.] website via digital upload of the UCC record in portable document format ("PDF") not to exceed 8 megabytes. The file date and time for an accepted UCC [document] record delivered by this method is the date and time it is received in the filing office. An accepted UCC [document] record delivered after regular business hours or on a [date] day the filing office is not open for business shall have a filing date and time of 8:30 a.m. on the next day the filing office is open for business.

(4) Direct web entry . UCC records, excluding filing officer statements, may be transmitted electronically using an Application Programming Interface ("API"), in extensible markup language ("XML"), or similar format approved by the International Association of Commercial Administrators. At the request of an authorized Remitter, the filing office shall identify which versions and releases of the electronic format are acceptable to the filing office. The filing office publishes an implementation guide that prescribes the use of the electronic format. An implementation guide shall be available to approved stakeholders upon request. The file time for a UCC record delivered by this method is the time that the filing office's UCC information management system analyzes the relevant transmission and determines that all the required elements of the transmission have been received in a required format and are machine-readable.

(5) Direct web page data entry. UCC records may be delivered by online data entry using the filing office's website on the internet. The file date and time for a UCC record delivered by this method is the date and time the entry of all required elements of the UCC record in the proper format is acknowledged by the online entry system.

(c) Transmitting utility and public-finance transactions. The only means to indicate that an initial financing statement is filed in connection with a public-finance transaction or that the debtor is a transmitting utility, is on the initial financing statement.

Section 3. Section 42a-9-3 of the Regulations of Connecticut State Agencies is amended to read as follows

Sec. 42a-9-3. Acceptance and refusal of documents

(a) **Policy Statement.** The duties and responsibilities of the filing office with respect to the administration of article 9 of the Uniform Commercial Code are ministerial. In accepting for filing or refusing to file a UCC [document] record pursuant to sections 42a-9-1 to 42a-9-6, inclusive, of the Regulations of Connecticut State Agencies, the filing office does none of the following:

- (1) Determine the legal sufficiency or insufficiency of a UCC [document] record;
- (2) Determine that a security interest in collateral exists or does not exist;

(3) Determine that information in the UCC [document] record is correct or incorrect, in whole or in part;

(4) Create a presumption that information in the UCC [document] record is correct or incorrect, in whole or in part.

(b) **Duty to file.** Provided that there is no ground to refuse acceptance of the UCC document under section [87(b) of public act 01-132,] 42a-9-516 of the Connecticut General Statutes a UCC [document] record is filed upon its receipt by the filing office with the filing fee[.], in accordance with section 42a-9-2, of the Regulations of Connecticut State Agencies. The filing office shall assign a file number to the accepted UCC document not later than five business days after it is received and index it in the UCC information management system.

(c) **Procedure upon refusal.** If the filing office finds grounds to refuse acceptance of a UCC [document] record, the filing office shall return the document and fee to the remitter. [The filing office shall credit any fee received to the remitter's account.] The filing office shall send a notice that contains the reason for refusal and the date and time the UCC [document] record would have been filed had the UCC [document] record been accepted. The notice shall be sent to the remitter [via United States Postal Service, unless the remitter requests in-person pick-up, courier service or facsimile delivery,] no later than the fifth business day after the filing office receives the UCC [document] record. The notice will be sent to the customer by the same means as it was initially delivered. Upon resubmission the UCC document shall be given a new filing date and time.

(d) **Procedure upon acceptance.** The filing office shall send to the remitter an acknowledgement letter containing the file number assigned to the UCC document, the date and time of filing, and the names and addresses of debtors and secured parties that have been indexed. Such acknowledgement letter shall be sent to the remitter[via United States Postal Service, unless the remitter requests in-person pickup, courier service or facsimile delivery] by the same means as it was initially delivered, no later than the fifth business day after the filing office receives the UCC document.

(e) **Refusal errors.** If a secured party or a remitter demonstrates to the satisfaction of the filing office that a UCC [document] record that was refused for filing should not have been refused, the filing office shall file the UCC document as provided in sections 42a-9-1 to 42a-9-6, inclusive, of the Regulations of Connecticut State Agencies, with the filing date and time when the UCC [document] record was originally tendered for filing. The filing office shall also file a filing office statement that shall identify the filing by number and indicate the effective date and time of filing.

(f) **Errors of the filing office.** The filing office may correct the errors of filing office personnel in the UCC information management system at any time. [If the correction is made after the filing office has issued a through date that includes the filing date of a corrected UCC document,] The filing office shall place a filing office statement relating to the relevant financing statement in the UCC information management system stating the date of the correction and explaining the nature of the corrective action taken. The record shall be preserved for so long as the record of the initial financing statement is preserved in the UCC information management system.

Sec. 42a-9-4. Indexing procedures

(a) **General.** The filing office uses the UCC information management system to store, index, and retrieve information relating to financing statements. The UCC information management system includes the searchable indexes. The regulations in this section describe the UCC information management system.

[(a)] (b) **Identification numbers.** Each initial financing statement is identified by [its] a unique file number. A record is created in the UCC information management system for each initial financing statement.

[(b)] (c) A UCC [document] record other than an initial financing statement is identified by a unique file number assigned by the filing office. In the UCC information management system, records of all UCC [documents] records other than initial financing statements are linked to the record of their related initial financing statement.

[(c)] (d) **Identification of parties.** The names and addresses of debtors and secured parties are [transferred from UCC documents to] stored in the UCC information management system.

[(d)] (e) **Type of record.** The type of UCC record from which data is transferred is identified in the UCC information management system.

(1) **Amendments generally.** The filing office shall not delete any information from the information management system in response to an amendment. Upon the filing of an amendment the status of the parties shall be unchanged, except that in the case of an amendment that adds a debtor or a secured party, the new debtor or secured party shall be added to the appropriate index and associated with the record of the financing statement in the UCC information management system. An amendment that designates an assignee shall cause the assignee to be added as a secured party of record with respect to the affected financing statement in the UCC information management system. Notwithstanding the filing of an amendment that purports to delete a debtor or a secured party from a financing statement, no debtor or secured party of record is deleted from the UCC information management system. Except in the case of a continuation statement, the filing of an amendment does not affect the status of the financing statement.

(2) **Continuation statement.** Upon the timely filing of one or more continuation statements, the lapse date of the financing statement shall be extended for an additional five-year period beginning on the date the record would have lapsed in the absence of the filing of a continuation statement. The lapse date is extended once, notwithstanding the fact that more than one continuation statement is filed within a given 6-month period prior to a lapse date. Notwithstanding the immediate extension of the lapse date for those secured parties of record who file timely a continuation statement within a given 6-month period prior to a lapse date, such lapse date remains effective solely for purposes of determining whether a subsequent continuation statement filed in the same 6-month period is timely. The filing of a continuation statement shall have no effect upon the status of any party to the financing statement or upon the status of the financing statement except to extend the lapse date.

(3) **Termination statement.** The filing of a termination statement shall have no effect upon the status of any party to the financing statement or upon the status of the financing statement.

[(e)] (f) **Filing date and filing time.** The filing date and filing time of UCC documents are stored in the UCC information management system. Calculation of the lapse date of an initial financing statement is based upon the filing date.

[(f)](g) **Lapse indicator.** An indicator is maintained by which the UCC information management system identifies whether or not a financing statement shall lapse and, if it does, when it shall lapse.

[(g)] (h) **Page count.** The total number of pages in a UCC [document] record is maintained in the UCC information management system.

Sec. 42a-9-5. Data entry of names

(a) **Organization names.** The filing office shall enter organization names into the UCC information management system exactly as set forth in the UCC [document] record, even if it appears that multiple names are set forth in the document or if it appears that the name of an individual has been included in the field designated for an organization name. The organization name field in the UCC information management system is fixed in length. The maximum length is [100] 255 characters. Remitters should provide full names on their UCC [documents] records, however, a name that exceeds the fixed length is entered as presented to the filing office, up to the maximum length of the data entry field.

[(b)] Personal name fields in the UCC information management system are fixed in length. Remitters should provide full names on their UCC documents, however, a name that exceeds the fixed length is entered as presented to the filing office, up to the maximum length of the data entry field. The length of data entry name fields are as follows:

- (1) First name: 20 characters;
- (2) Middle name: 20 characters;
- (3) Last name: 60 characters;
- (4) Suffix: 25 characters.]

(b) Individual name. The filing office shall enter individual debtor names in the UCC information management system exactly as set forth in the UCC record. Separate data entry fields are established for surnames, first personal name, additional names and suffix.. Each field is fixed in length. Remitters should provide full names on their UCC documents, however, a name that exceeds the fixed length is entered as presented to the filing office, up to the maximum length of the data entry field. The length of data entry name fields are as follows:

- (1) Surname: 255 characters;
- (2) First personal name: 255 characters;
- (3) Additional name: 255 characters;
- (4) Suffix: 255 characters.

Sec. 42a-9-6. Search requests and reports

(a) **General requirements.** The filing office maintains for public inspection a searchable index for all [records of] UCC [documents] records that provides for the retrieval of a record by the name of the debtor [and] or by the file number of the initial financing statement to which the record relates. The index associates each initial financing statement with each filed UCC [document] record relating to it.

(b) **Search requests.** A search request shall set forth the full correct name of a debtor and shall specify whether the debtor is an individual or an organization. When the debtor is an individual, a search request shall designate separate fields for surname, first personal name, middle name, [and last names] and any suffix. All individual search requests shall set forth a surname.

(c) **Rules applied to search requests.** Search results are created by applying standardized search logic to the name presented to the filing office. The following, and only the following rules are applied to conduct searches.

(1) There is no limit to the number of matches that may be returned in response to the search criteria;

(2) No distinction is made between upper and lower case letters;

(3) Punctuation marks and accents are disregarded[;]. For purposes of this regulation, punctuation and accents include all characters other than the numerals 0 through 9 and the letters A through Z (in upper and lower case) of the English alphabet;

(4) Noise Words and abbreviations in a name that indicate the existence or nature of an organization are disregarded[. All spaces are disregarded];

(5) All spaces are disregarded;

[(5)] (6) Surnames and First personal [and last] names of individuals are searched exactly as provided. When an initial is provided for the first personal name, the system shall search for that initial only. If no first personal name is provided the system shall equate it with all first personal names If no middle initial is provided the system shall equate it with all middle names and initials.

[(6)] (7) After taking the rules specified in subdivisions (1) to [(5)](6), inclusive, of this subsection into account to modify the name of the debtor requested to be searched and to modify the names of debtors contained in financing statements in the UCC information management system, the search shall reveal only names of debtors that match the standard search logic.

[(7)] (8) At times the results of a search may yield more than an exact name match due to the method in which tax lien information is electronically transmitted to the UCC information management system pursuant to the Internal Revenue Code.

(d) **Response to search requests.** No later than the fifth business day after the filing office receives a search request, the person making such request shall receive a request for information report. The request for information report shall include the name of the debtor searched and the through date. If the search yields any UCC documents relating to the debtor, then the request for information report shall include information concerning the debtor's address; the lapse date of the security interest; the secured party's name and address; the type of filing; the volume and page number; the number of pages; and the date and time of filing. The request for information report shall be sent to the requestor via [United States Postal Service] electronic mail unless the remitter

requests first-class mail via the United States Postal Service, in-person pick-up or courier service. If the search does not yield any UCC documents relating to the debtor, then the request for information report shall state that no information was found.

Statement of Purpose:

Amend R.C.S.A. 42a-9-1 to 42a-9-6, inclusive, as to the filing procedures for Uniform Commercial Code filings within the office of the Secretary the State by updating the definitions; including a new of filing by direct web entry; adding consistency to as to the indexing of names across all forms of delivery; and clarifying the search logic applied to searches and reports.