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SENATE FILE 1272

By COMMITTEE ON JUDICIARY

Passed Senate, Date 3-30-76 (1102) Passed House, Date 5-28-76 (9325)

Vote: Ayes 42 Nays 0 Vote: Ayes 78 Nays 2

Approved 6-23-76

A BILL FOR

1 An Act relating to security interests regulated by the
2 Uniform Commercial Code.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section one hundred thirty-five D point twenty-
2 six (135D.26), subsection one (1), paragraph c, and subsection
3 two (2), Code 1975, are amended to read as follows:

4 c. If a ~~lien~~ security interest is noted on the certifi-
5 cate of title, tendering to the secured party a mortgage on
6 the real estate upon which the mobile home is to be located
7 in the unpaid amount of the secured debt, and with the same
8 priority as or a higher priority than the secured party's
9 ~~lien security interest~~, or obtaining written consent of the
10 secured party to the conversion.

11 2. After complying with the provisions of subsection 1,
12 the owner shall notify the assessor who shall inspect the
13 new premises for compliance. If a ~~lien security interest~~
14 is noted on the certificate of title, the assessor shall
15 require an affidavit, as defined in section 622.85, from the
16 mobile home owner, declaring that the owner has complied with
17 subsection 1, paragraph "c", and shall send notice of the
18 proposed conversion to the secured party by regular mail not
19 less than ten days before the conversion becomes effective.
20 When the mobile home is properly converted, the assessor shall
21 then collect the mobile home vehicle title, registration,
22 and license plates from the owner and enter the property upon
23 the tax rolls.

24 Sec. 2. Section three hundred twenty-one point fifty
25 (321.50), title, and subsections one (1) and five (5), Code
26 1975, and subsection seven (7), as amended by Acts of the
27 Sixty-sixth General Assembly, 1975 Session, chapter one hun-
28 dred seventy-one (171), section eight (8), are amended to
29 read as follows:

30 321.50 ~~LIEN~~ SECURITY INTEREST PROVISIONS.

31 1. A security interest in a vehicle subject to registra-
32 tion under the laws of this state, except trailers whose empty
33 weight is two thousand pounds or less, and wagon box trailers
34 subject to a registration fee of five dollars or less; and
35 new or used vehicles held by a dealer or manufacturer as

1 inventory for sale, is perfected by the delivery to the county
2 treasurer of the county where the certificate of title was
3 issued or, in the case of a new certificate, to the county
4 treasurer where the certificate will be issued of an
5 application for certificate of title which lists such security
6 interest, or an application for notation of security interest
7 signed by the owner, or a certificate of title from another
8 jurisdiction which shows such security interest, and a fee
9 of two dollars for each security interest shown. If the owner
10 or secured party is in possession of the certificate of title,
11 it must also be delivered at this time in order to perfect
12 the security interest. If a vehicle is subject to a security
13 interest when brought into this state, the validity of the
14 security interest and the date of perfection is determined
15 by the Uniform Commercial Code, section 554.9103. Delivery
16 as provided in this subsection shall be deemed to be indication
17 of a security interest on a certificate of title for purposes
18 of chapter five hundred fifty-four (554) of the Code.

19 5. The Uniform Commercial Code, chapter 554, Article 9,
20 shall apply to all transactions intended to create a security
21 interest in vehicles except as provided in this chapter.

22 7. Upon request of any person, the county treasurer shall
23 issue his certificate showing whether there are, on the date
24 and hour stated therein, any security interests noted on a
25 particular vehicle's certificate of title, and the name and
26 address of each secured party whose ~~lien~~ security interest
27 is noted thereon. The uniform fee for a written certificate
28 shall be two dollars if the request for the certificate is
29 on a form conforming to standards prescribed by the secretary
30 of state; otherwise, three dollars. Upon request and payment
31 of the appropriate fee, the county treasurer shall furnish
32 a certified copy of any security interest notations for a
33 uniform fee of one dollar per page.

34 Sec. 3. Section five hundred fifty-four point one thousand
35 two hundred one (554.1201), subsection thirty-two (32), Code

1 1975, is amended by striking the subsection and inserting
2 in lieu thereof the following:

3 32. "Purchase" means any voluntary transaction creating
4 an interest in property, including taking by sale, discount,
5 negotiation, mortgage, pledge, voluntary lien, issue, reissue
6 or gift.

7 Sec. 4. Section five hundred fifty-four point nine thousand
8 one hundred three (554.9103), subsection one (1), paragraph
9 c, and subsection two (2), paragraph a, are amended to read
10 as follows:

11 c. If the parties to a transaction creating a ~~purchase~~
12 ~~money~~ security interest in goods in one jurisdiction understand
13 at the time that the security interest attaches that the goods
14 will be kept in another jurisdiction, then the law of the
15 other jurisdiction governs the perfection and the effect of
16 perfection or nonperfection of the security interest from
17 the time it attaches until thirty days after the debtor
18 receives possession of the goods and thereafter if the goods
19 are taken to the other jurisdiction before the end of the
20 thirty-day period.

21 a. This subsection applies to goods covered by a ~~certifi-~~
22 ~~cate~~ one or more certificates of title issued under a statute
23 of this state or of another jurisdiction under the law of
24 which indication of a security interest on the certificate
25 is required as a condition of perfection.

26 Sec. 5. Section five hundred fifty-four point nine thousand
27 two hundred four (554.9204), subsection one (1), Code 1975,
28 is amended to read as follows:

29 1. Except as provided in subsection 2, a security agreement
30 may provide that any or all obligations covered by the security
31 agreement are to be secured by after-acquired collateral,
32 including after-acquired collateral which also constitutes
33 identifiable noncash proceeds.

34 Sec. 6. Section five hundred fifty-four point nine thousand
35 three hundred two (554.9302), subsection three (3), paragraph

1 b, Code 1975, is amended to read as follows:

2 b. the following statutes of this state; sections 321.18,
3 and 321.20 and three hundred twenty-one point fifty (321.50)
4 of the Code; but during any period in which collateral is
5 inventory held for sale by a person who is in the business
6 of selling goods of that kind, the filing provisions of this
7 Article (Part 4) apply to a security interest in that
8 collateral created by him as debtor; or

9 Sec. 7. Section five hundred fifty-four point nine thousand
10 three hundred thirteen (554.9313), subsection four (4),
11 paragraphs c and d, Code 1975, are amended to read as follows:

12 c. the fixtures are readily removable ~~factory-or-office~~
13 ~~machines~~ equipment or readily removable replacements of
14 domestic appliances which are consumer goods, and before the
15 goods become fixtures the security interest is perfected by
16 any method permitted by this Article including section five
17 hundred fifty-four point nine thousand three hundred two
18 (554.9302), subsection one (1), paragraph d, of the Code;
19 or

20 d. the conflicting interest is a lien on the real estate
21 obtained by legal or equitable proceedings after the security
22 interest was perfected by any method permitted by this Article
23 including section five hundred fifty-four point nine thousand
24 three hundred two (554.9302), subsection one (1), paragraph
25 d, of the Code.

26 Sec. 8. Section five hundred fifty-four point nine thousand
27 four hundred one (554.9401), subsection one (1), paragraph
28 b, is amended to read as follows:

29 b. when the collateral is consumer goods and when the
30 debtor resides in this state, then in the office of the
31 recorder in the county of the debtor's residence ~~or-if-the~~
32 ~~debtor-is-not-a-resident-of-this-state-then-in-the-office~~
33 ~~of-the-recorder-in-the-county-where-the-goods-are-kept~~;

34 Sec. 9. Section five hundred fifty-four point nine thousand
35 four hundred two (554.9402), subsections three (3), six (6)

1 and seven (7), Code 1975, are amended to read as follows:

2 3. A form substantially as follows is sufficient to comply
3 with subsection 1:

4 Name of debtor (or assignor)

5 Address

6 Name of secured party (or assignee)

7 Address

8 (1) This financing statement covers the
9 following types (or items) of property:

10 (Describe)

11 (2) (If collateral is crops) The above
12 described crops are growing or are to be
13 grown on:

14 (Describe Real Estate)

15 (3) (If applicable) The above goods are to
16 become fixtures on

17 ~~Where~~ Where appropriate ~~substitute~~ either add
18 or substitute "The above timber is standing
19 on" or "The above minerals or the
20 like (including oil and gas) are located on
21" or "The above accounts will be
22 financed at the wellhead or minehead of the
23 well or mine located on" or any or all
24 of these

25 (Describe Real Estate) and
26 this financing statement is to be filed for
27 record in the real estate records. (If the
28 debtor does not have an interest of record)

29 The name of a record owner is

30 (4) (If products of collateral are claimed)
31 Products of the collateral are also covered.
32 (use whichever is applicable)

33 Signature of Debtor (or Assignor)

34 Signature of Secured Party (or Assignee) ..

35 6. A mortgage is effective as a financing statement filed

1 as a fixture filing or a filing covering timber to be cut,
 2 or minerals or the like (including oil and gas), or accounts
 3 subject to subsection five (5) of section five hundred fifty-
 4 four point nine thousand one hundred three (554.9103) of the
 5 Code or any or all of these, from the date of its recording
 6 if (a) the goods are described in the mortgage by item or
 7 type, (b) the goods are or are to become fixtures or timber
 8 to be cut, or minerals or the like (including oil and gas),
 9 or accounts subject to subsection five (5) of section five
 10 hundred fifty-four point nine thousand one hundred three
 11 (554.9103) of the Code, or any or all of these, which are
 12 related to the real estate described in the mortgage, (c)
 13 the mortgage complies with the requirements for a financing
 14 statement in this section other than a recital that it is
 15 to be filed in the real estate records, and (d) the mortgage
 16 is duly recorded. No fee with reference to the financing
 17 statement is required other than the regular recording and
 18 satisfaction fees with respect to the mortgage.

19 7. A financing statement sufficiently shows the name of
 20 the debtor if it gives the individual, partnership or corporate
 21 name of the debtor, whether or not it adds other trade names
 22 or the names of partners. Where the debtor so changes his
 23 name or in the case of an organization its name, identity
 24 or corporate structure that a filed financing statement becomes
 25 seriously misleading, the filing is not effective to perfect
 26 a security interest in collateral acquired by the debtor more
 27 than four months after the change, unless a new appropriate
 28 financing statement is filed before the expiration of that
 29 time. A filed financing statement remains effective with
 30 respect to collateral transferred by the debtor even though
 31 the secured party knows of ~~or consents to~~ the transfer.

32 Sec. 10. Section five hundred fifty-four point nine
 33 thousand four hundred seven (554.9407), subsections two (2)
 34 and three (3), Code 1975, are amended to read as follows:

35 2. Upon request of any person, the filing officer shall

1 issue his certificate showing whether there is on file on
2 the date and hour stated therein, any presently effective
3 financing statement naming a particular debtor and any
4 financing statement of-assignment-thereof changes and if there
5 is, giving the date and hour of filing of each such statement
6 filing and the names and addresses of each secured party
7 therein. The uniform fee for such a certificate shall be
8 two dollars if the request for the certificate is on a form
9 conforming to standards prescribed by the secretary of state;
10 otherwise, three dollars. Upon request and the payment of
11 the appropriate fee the filing officer shall furnish a
12 certified copy of any filed financing statement or financing
13 statement of-assignment changes for a uniform fee of one
14 dollar per page.

15 3. Charging no more than a reasonable estimate of cost,
16 in his descretion the secretary of state or a county recorder
17 may adopt one or more of the following methods of providing
18 information concerning public filings in his office to persons
19 with an interest in this information that is related
20 exclusively to the purposes of this Article:

- 21 a. subscription telephone service;
- 22 b. subscription daily, weekly or monthly written summaries;
- 23 c. granting suitable space for the preparation of written
24 summaries and the provision of telephone service by those
25 persons deemed by the secretary of state or a county recorder
26 to have a legitimate interest in regular examination of the
27 secretary of state's or the county recorder's public files;
28 and or
- 29 d. any other aproprate method of disseminating infor-
30 mation.

31 Except with respect to willful misconduct, the state of Iowa,
32 the secretary of state, a county, a county recorder and their
33 employees and agents are immune from liability as a result
34 of errors or omissions in information supplied pursuant to
35 this subsection.

1 Sec. 11. Section five hundred fifty-four point nine
2 thousand five hundred four (554.9504), subsection one (1),
3 paragraph c, Code 1975, is amended to read as follows:

4 c. the satisfaction of indebtedness secured by any subor-
5 dinate security interest or lien in the collateral if written
6 notification of demand therefor is received before distribution
7 of the proceeds is completed. If requested by the secured
8 party, the holder of a subordinate security interest or lien
9 must seasonably furnish reasonable proof of his interest,
10 and unless he does so, the secured party need not comply with
11 his demand.

12 Sec. 12. Section five hundred fifty-four point nine
13 thousand five hundred five (554.9505), subsection two (2),
14 Code 1975, is amended to read as follows:

15 2. In any other case involving consumer goods or any other
16 collateral a secured party in possession may, after default,
17 propose to retain the collateral in satisfaction of the
18 obligation. Written notice of such proposal shall be sent
19 to the debtor if he has not signed after default a statement
20 renouncing or modifying his rights to notice and to object
21 to retention of the collateral in full satisfaction of the
22 obligation, under this subsection. In the case of consumer
23 goods no other notice need be given. In other cases notice
24 shall be sent to any other secured party or lienor from whom
25 the secured party has received (before sending his notice
26 to the debtor or before the debtor's renunciation of his
27 rights) written notice of a claim of an interest in the
28 collateral. If the secured party receives objection in writing
29 from a person entitled to ~~receive~~ be sent notification within
30 twenty-one days after the notice was sent, the secured party
31 must dispose of the collateral under section 554.9504. In
32 the absence of such written objection the secured party may
33 retain the collateral in satisfaction of the debtor's
34 obligation. Retention of the collateral discharges the
35 security interest of the secured party and discharges any

1 security interest or lien subordinate to the security interest
2 of the secured party.

3 Sec. 13. Section five hundred fifty-four point nine
4 thousand five hundred six (554.9506), Code 1975, is amended
5 to read as follows:

6 554.9506 DEBTOR'S RIGHT TO REDEEM COLLATERAL. At any
7 time before the secured party has disposed of collateral or
8 entered into a contract for its disposition under section
9 554.9504 or before the obligation has been discharged under
10 section 554.9505, subsection 2, the debtor or any other secured
11 party or lienor may unless otherwise agreed in writing after
12 default redeem the collateral by tendering fulfillment of
13 all obligations secured by the collateral as well as the
14 expenses reasonably incurred by the secured party in retaking,
15 holding and preparing the collateral for disposition, in
16 arranging for the sale, and to the extent provided in the
17 agreement and not prohibited by law, his reasonable attorneys'
18 fees and legal expenses.

19 Sec. 14. Section five hundred fifty-four point eleven
20 thousand one hundred five (554.11105), subsection four (4),
21 subsection five (5), paragraph a, and subsections six (6)
22 and seven (7), Code 1975, are amended to read as follows:

23 4. If the record of a mortgage of real estate would have
24 been effective as a fixture filing or a filing covering timber
25 to be cut, or minerals or the like (including oil and gas),
26 or accounts subject to subsection five (5) and section five
27 hundred fifty-four point nine thousand one hundred three
28 (554.9103) of the Code, or any or all of these, of goods
29 described therein if this chapter as amended had been in
30 effect on the date of recording the mortgage, the mortgage
31 shall be deemed effective as a fixture filing as to such goods
32 under section 554.9402, subsection 6 on January 1, 1975 and
33 the mortgage shall be deemed effective as a filing covering
34 timber to be cut or minerals or the like (including oil and
35 gas), or accounts subject to subsection five (5) of section

1 five hundred fifty-four point nine thousand one hundred three
2 (554.9103) of the Code, or any or all of these, on the effec-
3 tive date of this Act.

4 a. Filings in the office of a county recorder which have
5 not lapsed or been terminated prior to January 1, 1975, retain
6 their effectiveness unless subsequently lapsed or terminated
7 until January 1, 1980; however, on or after January 1, 1975,
8 continuation statements are not to be filed in the office
9 of a county recorder, and effectiveness can be continued only
10 through the filing in the office of the secretary of state
11 of a financing statement which complies with section 554.9402
12 or, if filed before January 1, 1980, with subsection 7; the
13 effectiveness of such financing statements is to be continued
14 through continuation statements which comply with section
15 five hundred fifty-four point nine thousand four hundred three
16 (554.9403), subsection three (3), of the Code; a prior county
17 filing ordinarily may be continued in the office of the
18 secretary of state only in the final six months of its
19 effectiveness at the county level; however, if there were
20 multiple filings in different counties with respect to the
21 same secured transaction, the multiple filings may be
22 consolidated into a single filing in the office of the
23 secretary of state if any one of the multiple county filings
24 is in the final six months of its effectiveness at the county
25 level;

26 6. If a security interest is perfected or has priority
27 on January 1, 1975, as to all persons or as to certain persons
28 without any filing or recording, and if the filing of a
29 financing statement would be required for the perfection or
30 priority of the security interest against those persons under
31 this chapter as amended, the perfection and priority rights
32 of the security interest continue until three years after
33 January 1, 1975. The perfection will then lapse unless a
34 financing statement which complies with either section 554.9402
35 or subsection 7 of this section has been filed or unless the

1 security interest has been perfected otherwise than by filing.
2 The effectiveness of such financing statements is to be
3 continued through continuation statements which comply with
4 section five hundred fifty-four point nine thousand four
5 hundred three (554.9403), subsection three (3), of the Code.

6 7. Where indicated by this section, a financing statement
7 which otherwise complies with section 554.9402 may be signed
8 by either the secured party ~~instead of~~ or the debtor provided
9 that the financing statement is accompanied by a carbon,
10 photocopy, or other suitable reproduction of an effective
11 prior filing, and evidence of proper prior filing, and states
12 that the prior filing is still effective. Insofar as
13 subsection 6 authorizes perfection by filing of security
14 interests which have been perfected without filing under
15 section 554.9302, subsection 1, paragraph "c," prior to
16 amendment, a financing statement which otherwise complies
17 with section 554.9402 may be signed by either the secured
18 party ~~instead of~~ or the debtor provided that the financing
19 statement identifies the security agreement and states that
20 the security interest was perfected without filing under
21 section 554.9302, subsection 1, paragraph "c," prior to
22 amendment.

23 Sec. 15. Section five hundred fifty-four point eleven
24 thousand one hundred five (554.11105), Code 1975, is amended
25 by adding the following new subsection as subsection six (6),
26 renumbering the remaining subsections, and correcting internal
27 references as required.

28 NEW SUBSECTION. If collateral consists of fixtures, timber
29 to be cut, minerals or the like (including oil and gas), or
30 accounts subject to subsection five (5) of section five hundred
31 fifty-four point nine thousand one hundred three (554.9103)
32 of the Code, filings in the Uniform Commercial Code files
33 of a county recorder which have not lapsed or been terminated
34 prior to January 1, 1975, retain their effectiveness unless
35 subsequently lapsed or terminated until January 1, 1980;

1 however, on or after the effective date of this Act,
2 continuation statements in the form of financing statements
3 which are to be recorded in the land records and cross-indexed
4 in the Uniform Commercial Code files of the county recorder
5 can be filed without regard to the remaining period of
6 effectiveness of the prior filing; financing statements used
7 to continue the effectiveness of prior county land-related
8 filings must comply either with section five hundred fifty-
9 four point nine thousand four hundred two (554.9402), of the
10 Code or with subsection eight (8) of this section.

11 Sec. 16. Section five hundred fifty-eight point one
12 (558.1), Code 1975, is amended to read as follows:

13 558.1 "INSTRUMENTS AFFECTING REAL ESTATE" DEFINED--
14 REVOCATION. All instruments containing a power to convey,
15 or in any manner relating to real estate, including certified
16 copies of petitions in bankruptcy with or without the schedules
17 appended, of decrees of adjudication in bankruptcy, and of
18 orders approving trustees' bonds in bankruptcy, shall be held
19 to be instruments affecting the same; and no such instrument,
20 when certified and recorded as in this chapter prescribed,
21 can be revoked as to third parties by any act of the parties
22 by whom it was executed, until the instrument containing such
23 revocation is acknowledged and filed for record in the same
24 office in which the instrument containing such power is
25 recorded, except that Uniform Commercial Code financing
26 statements and financing statement changes need not be thus
27 acknowledged.

28 Sec. 17. Section five hundred fifty-eight point forty-
29 two (558.42), Code 1975, is amended to read as follows:

30 558.42 ACKNOWLEDGMENT AS CONDITION PRECEDENT. It shall
31 not be deemed lawfully recorded, unless it has been previously
32 acknowledged or proved in the manner prescribed in this
33 chapter, except that affidavits and certified copies of
34 petitions in bankruptcy with or without the schedules appended,
35 of decrees of adjudication in bankruptcy, and of orders

1 approving trustees' bonds in bankruptcy, and Uniform Commercial
2 Code financing statements and financing statement changes
3 need not be thus acknowledged.

4 EXPLANATION

5 This bill makes a number of changes recommended to correct
6 and clarify parts of the Uniform Commercial Code and Code
7 sections related to it, and to establish a few new procedures
8 and simplify others under the UCC, as follows:

9 Section 1. Correct terminology.

10 2. Same. Also addition of authorization for copies of
11 security interests noted on certificates of title at \$1 per
12 page, in conformity with present practice.

13 3. Prevents a debtor's trustee in bankruptcy, who has
14 the rights of an involuntary lien creditor, from also asserting
15 the rights of a purchaser.

16 4. Makes a rule affecting perfection of security interests
17 in certain multiple state transactions applicable to non-
18 purchase money as well as purchase money security interests.
19 Also makes clear that more than one certificate of title may
20 be involved.

21 5. Permits the inclusion of identifiable noncash proceeds
22 in a security agreement description of after-acquired
23 collateral.

24 6. Includes an additional reference to clarify the
25 relationship between a UCC security interest and the
26 certificate of title law.

27 7. Clarifies language and references so that farm equipment
28 will be treated like factory and office machines and there
29 will be no doubt about the status of perfection without filing
30 for consumer goods.

31 8. Shifts the place of filing for consumer goods of a
32 nonresident debtor to the secretary of state's office.

33 9. Permits a single financing statement to cover a number
34 of real estate related interests. Permits the same mortgage
35 to be used for a number of real estate-related interests.

1 Removes an error which indicated that a security interest
2 might continue after the secured party consented to a transfer
3 of the collateral.

4 10. Permits filing officer to report all financing
5 statement changes, not just statements of assignment. Permits
6 county recorders to give various informational services
7 respecting filings which the secretary of state now may give.

8 11. (Also in 12 and 13) Indicates that a holder of a
9 subordinate lien has the same status upon foreclosure as the
10 holder of a subordinate security interest.

11 12. Clarifies the rights which may be renounced or modified
12 by the debtor relative to repossession of collateral by a
13 secured creditor. States clearly the rule presently accepted
14 by authorities that retention of the collateral discharges
15 subordinate security interests and liens.

16 13. Same as 11.

17 14. On the effective date of the Act, gives effect to
18 a mortgage used as a filing for collateral related to real
19 estate, as is made possible by section 9. Clarifies that
20 farm filings transferred to the secretary of state's office
21 must be continued by a standard continuation statement.
22 Permits multiple county farm filings to be consolidated into
23 one filing with the secretary of state. Clarifies that a
24 financing statement may be signed by either the secured party
25 or the debtor when accompanied by a reproduction of a prior
26 effective filing and when the security interest previously
27 was perfected without filing.

28 15. Clarifies how effectiveness of prior filings can be
29 retained and continued for interests in collateral related
30 to real estate.

31 16. Provides that a real estate-related UCC financing
32 statement may be revoked by a UCC filing which is not
33 acknowledged.

34 17. Removes requirement for acknowledgment of signatures
35 on financing statements and financing statement changes per-
36 taining to real estate collateral.

a certified copy of any security interest notations for a uniform fee of one dollar per page.

Sec. 3. Section five hundred fifty-four point one thousand two hundred one (554.1201), subsection thirty-two (32), Code 1975, is amended by striking the subsection and inserting in lieu thereof the following:

32. "Purchase" means any voluntary transaction creating an interest in property, including taking by sale, discount, negotiation, mortgage, pledge, voluntary lien, issue, reissue or gift.

Sec. 4. Section five hundred fifty-four point nine thousand one hundred three (554.9103), subsection one (1), paragraph c, and subsection two (2), paragraph a, are amended to read as follows:

c. If the parties to a transaction creating a purchase ~~money~~ security interest in goods in one jurisdiction understand at the time that the security interest attaches that the goods will be kept in another jurisdiction, then the law of the other jurisdiction governs the perfection and the effect of perfection or nonperfection of the security interest from the time it attaches until thirty days after the debtor receives possession of the goods and thereafter if the goods are taken to the other jurisdiction before the end of the thirty-day period.

a. This subsection applies to goods covered by a certificate one or more certificates of title issued under a statute of this state or of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection.

Sec. 5. Section five hundred fifty-four point nine thousand two hundred four (554.9204), subsection one (1), Code 1975, is amended to read as follows:

1. Except as provided in subsection 2, a security agreement may provide that any or all obligations covered by the security agreement are to be secured by after-acquired collateral, including after-acquired collateral which also constitutes identifiable non-cash proceeds.

Sec. 6. Section five hundred fifty-four point nine thousand three hundred two (554.9302), subsection three (3), paragraph b, Code 1975, is amended to read as follows:

b. the following statutes of this state; sections 321.18, and 321.20 and three hundred twenty-one point fifty (321.50) of the Code; but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this Article (Part 4) apply to a security interest in that collateral created by him as debtor; or

Sec. 7. Section five hundred fifty-four point nine thousand three hundred thirteen (554.9313), subsection four (4), paragraphs c and d, Code 1975, are amended to read as follows:

c. the fixtures are readily removable factory-or-office machines equipment or readily removable replacements of domestic appliances which are consumer goods, and before the goods become fixtures the security interest is perfected by any method permitted by this Article including section five hundred fifty-four point nine thousand three hundred two (554.9302), subsection one (1), paragraph d, of the Code; or

d. the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article including section five hundred fifty-four point nine thousand three hundred two (554.9302), subsection one (1), paragraph d, of the Code.

Sec. 8. Section five hundred fifty-four point nine thousand four hundred one (554.9401), subsection one (1), paragraph b, is amended to read as follows:

b. when the collateral is consumer goods and when the debtor resides in this state, then in the office of the recorder in the county of the debtor's residence or-if-the debtor-is-not-a-resident-of-this-state-then-in-the-office of-the-recorder-in-the-county-where-the-goods-are-kept;

Sec. 9. Section five hundred fifty-four point nine thousand four hundred two (554.9402), subsections three (3), six (6)

and seven (7), Code 1975, are amended to read as follows:

3. A form substantially as follows is sufficient to comply with subsection 1:

Name of debtor (or assignor)
Address
Name of secured party (or assignee)
Address

(1) This financing statement covers the following types (or items) of property:

(Describe)

(2) (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe Real Estate)

(3) (If applicable) The above goods are to become fixtures on

~~Where~~ Where appropriate ~~substitute~~ either add or substitute "The above timber is standing on" or "The above minerals or the like (including oil and gas) are located on" or "The above accounts will be financed at the wellhead or minhead of the well or mine located on . . ." or any or all of these

(Describe Real Estate) and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is

(4) (If products of collateral are claimed) Products of the collateral are also covered.

(use whichever is applicable)

Signature of Debtor (or Assignor)

Signature of Secured Party (or Assignee) ..

6. A mortgage is effective as a financing statement filed as a fixture filing or a filing covering timber to be cut, or minerals or the like (including oil and gas), or accounts

subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code or any or all of these, from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures or timber to be cut, or minerals or the like (including oil and gas), or accounts subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, or any or all of these, which are related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

7. A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of ~~ex-consents-to~~ the transfer.

Sec. 10. Section five hundred fifty-four point nine thousand four hundred seven (554.9407), subsections two (2) and three (3), Code 1975, are amended to read as follows:

2. Upon request of any person, the filing officer shall issue his certificate showing whether there is on file on the date and hour stated therein, any presently effective financing statement naming a particular debtor and any financing statement of-assignment-thereof changes and if there

15. give the date and hour of filing of each such statement filing and the names and addresses of each secured party therein. The uniform fee for such a certificate shall be two dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state; otherwise, three dollars. Upon request and the payment of the appropriate fee the filing officer shall furnish a certified copy of any filed financing statement or financing statement of assignment changes for a uniform fee of one dollar per page.

3. Charging no more than a reasonable estimate of cost, in his discretion the secretary of state or a county recorder may adopt one or more of the following methods of providing information concerning public filings in his office to persons with an interest in this information that is related exclusively to the purposes of this Article:

- a. subscription telephone service;
- b. subscription daily, weekly or monthly written summaries;
- c. granting suitable space for the preparation of written summaries and the provision of telephone service by those persons deemed by the secretary of state or a county recorder to have a legitimate interest in regular examination of the secretary of state's or the county recorder's public files; and or
- d. any other appropriate method of disseminating information.

Except with respect to willful misconduct, the state of Iowa, the secretary of state, a county, a county recorder and their employees and agents are immune from liability as a result of errors or omissions in information supplied pursuant to this subsection.

Sec. 11. Section five hundred fifty-four point nine thousand five hundred four (554.9504), subsection one (1), paragraph c, Code 1975, is amended to read as follows:

- c. the satisfaction of indebtedness secured by any subordinate security interest or lien in the collateral if written notification of demand therefor is received before distribution

of the proceeds is completed. If requested by the secured party, the holder of a subordinate security interest or lien must seasonably furnish reasonable proof of his interest, and unless he does so, the secured party need not comply with his demand.

Sec. 12. Section five hundred fifty-four point nine thousand five hundred five (554.9505), subsection two (2), Code 1975, is amended to read as follows:

2. In any other case involving consumer goods or any other collateral a secured party in possession may, after default, propose to retain the collateral in satisfaction of the obligation. Written notice of such proposal shall be sent to the debtor if he has not signed after default a statement renouncing or modifying his rights to notice and to object to retention of the collateral in full satisfaction of the obligation, under this subsection. In the case of consumer goods no other notice need be given. In other cases notice shall be sent to any other secured party or lienor from whom the secured party has received (before sending his notice to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. If the secured party receives objection in writing from a person entitled to receive be sent notification within twenty-one days after the notice was sent, the secured party must dispose of the collateral under section 554.9504. In the absence of such written objection the secured party may retain the collateral in satisfaction of the debtor's obligation. Retention of the collateral discharges the security interest of the secured party and discharges any security interest or lien subordinate to the security interest of the secured party.

Sec. 13. Section five hundred fifty-four point nine thousand five hundred six (554.9506), Code 1975, is amended to read as follows:

554.9506 DEBTOR'S RIGHT TO REDEEM COLLATERAL. At any time before the secured party has disposed of collateral or entered into a contract for its disposition under section

554.9504 or before the obligation has been discharged under section 554.9505, subsection 2, the debtor or any other secured party or lienor may unless otherwise agreed in writing after default redeem the collateral by tendering fulfillment of all obligations secured by the collateral as well as the expenses reasonably incurred by the secured party in retaking, holding and preparing the collateral for disposition, in arranging for the sale, and to the extent provided in the agreement and not prohibited by law, his reasonable attorneys' fees and legal expenses.

Sec. 14. Section five hundred fifty-four point eleven thousand one hundred five (554.11105), subsection four (4), subsection five (5), paragraph a, and subsections six (6) and seven (7), Code 1975, are amended to read as follows:

4. If the record of a mortgage of real estate would have been effective as a fixture filing or a filing covering timber to be cut, or minerals or the like (including oil and gas), or accounts subject to subsection five (5) and section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, or any or all of these, of goods described therein if this chapter as amended had been in effect on the date of recording the mortgage, the mortgage shall be deemed effective as a fixture filing as to such goods under section 554.9402, subsection 6 on January 1, 1975 and the mortgage shall be deemed effective as a filing covering timber to be cut or minerals or the like (including oil and gas), or accounts subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, or any or all of these, on the effective date of this Act.

a. Filings in the office of a county recorder which have not lapsed or been terminated prior to January 1, 1975, retain their effectiveness unless subsequently lapsed or terminated until January 1, 1980; however, on or after January 1, 1975, continuation statements are not to be filed in the office of a county recorder, and effectiveness can be continued only through the filing in the office of the secretary of state

of a financing statement which complies with section 554.9402 or, if filed before January 1, 1976, with subsection 7; the effectiveness of such financing statements is to be continued through continuation statements which comply with section five hundred fifty-four point nine thousand four hundred three (554.9403), subsection three (3), of the Code; a prior county filing ordinarily may be continued in the office of the secretary of state only in the final six months of its effectiveness at the county level; however, if there were multiple filings in different counties with respect to the same secured transaction, the multiple filings may be consolidated into a single filing in the office of the secretary of state if any one of the multiple county filings is in the final six months of its effectiveness at the county level;

6. If a security interest is perfected or has priority on January 1, 1975, as to all persons or as to certain persons without any filing or recording, and if the filing of a financing statement would be required for the perfection or priority of the security interest against those persons under this chapter as amended, the perfection and priority rights of the security interest continue until three years after January 1, 1975. The perfection will then lapse unless a financing statement which complies with either section 554.9402 or subsection 7 of this section has been filed or unless the security interest has been perfected otherwise than by filing. The effectiveness of such financing statements is to be continued through continuation statements which comply with section five hundred fifty-four point nine thousand four hundred three (554.9403), subsection three (3), of the Code.

7. Where indicated by this section, a financing statement which otherwise complies with section 554.9402 may be signed by either the secured party ~~instead of~~ or the debtor provided that the financing statement is accompanied by a carbon, photocopy, or other suitable reproduction of an effective prior filing, and evidence of proper prior filing, and states that the prior filing is still effective. Insofar as

subsection 6 authorizes perfection by filing of security interests which have been perfected without filing under section 554.9302, subsection 1, paragraph "c," prior to amendment, a financing statement which otherwise complies with section 554.9402 may be signed by either the secured party ~~instead of~~ or the debtor provided that the financing statement identifies the security agreement and states that the security interest was perfected without filing under section 554.9302, subsection 1, paragraph "c," prior to amendment.

Sec. 15. Section five hundred fifty-four point eleven thousand one hundred five (554.11105), Code 1975, is amended by adding the following new subsection as subsection six (6), renumbering the remaining subsections, and correcting internal references as required.

NEW SUBSECTION. If collateral consists of fixtures, timber to be cut, minerals or the like (including oil and gas), or accounts subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, filings in the Uniform Commercial Code files of a county recorder which have not lapsed or been terminated prior to January 1, 1975, retain their effectiveness unless subsequently lapsed or terminated until January 1, 1980; however, on or after the effective date of this Act, continuation statements in the form of financing statements which are to be recorded in the land records and cross-indexed in the Uniform Commercial Code files of the county recorder can be filed without regard to the remaining period of effectiveness of the prior filing; financing statements used to continue the effectiveness of prior county land-related filings must comply either with section five hundred fifty-four point nine thousand four hundred two (554.9402), of the Code or with subsection eight (8) of this section.

Sec. 16. Section five hundred fifty-eight point one (558.1), Code 1975, is amended to read as follows:

558.1 "INSTRUMENTS AFFECTING REAL ESTATE" DEFINED--
REVOCATION. All instruments containing a power to convey,

or in any manner relating to real estate, including certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, shall be held to be instruments affecting the same; and no such instrument, when certified and recorded as in this chapter prescribed, can be revoked as to third parties by any act of the parties by whom it was executed, until the instrument containing such revocation is acknowledged and filed for record in the same office in which the instrument containing such power is recorded, except that Uniform Commercial Code financing statements and financing statement changes need not be thus acknowledged.

Sec. 17. Section five hundred fifty-eight point forty-two (558.42), Code 1975, is amended to read as follows:

558.42 ACKNOWLEDGMENT AS CONDITION PRECEDENT. It shall not be deemed lawfully recorded, unless it has been previously acknowledged or proved in the manner prescribed in this chapter, except that affidavits and certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, and Uniform Commercial Code financing statements and financing statement changes need not be thus acknowledged.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 1272, Sixty-sixth General Assembly.

STEVEN C. CROSS
Secretary of the Senate

Approved June 23, 1976

ROBERT D. RAY
Governor

SENATE FILE 1272

AN ACT
RELATING TO SECURITY INTERESTS REGULATED BY THE UNIFORM
COMMERCIAL CODE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section one hundred thirty-five D point twenty-six (135D.26), subsection one (1), paragraph c, and subsection two (2), Code 1975, are amended to read as follows:

c. If a lien security interest is noted on the certificate of title, tendering to the secured party a mortgage on the real estate upon which the mobile home is to be located in the unpaid amount of the secured debt, and with the same priority as or a higher priority than the secured party's lien security interest, or obtaining written consent of the secured party to the conversion.

2. After complying with the provisions of subsection 1, the owner shall notify the assessor who shall inspect the new premises for compliance. If a lien security interest is noted on the certificate of title, the assessor shall require an affidavit, as defined in section 622.85, from the mobile home owner, declaring that the owner has complied with subsection 1, paragraph "c", and shall send notice of the proposed conversion to the secured party by regular mail not less than ten days before the conversion becomes effective. When the mobile home is properly converted, the assessor shall then collect the mobile home vehicle title, registration, and license plates from the owner and enter the property upon the tax rolls.

Sec. 2. Section three hundred twenty-one point fifty (321.50), title, and subsections one (1) and five (5), Code 1975, and subsection seven (7), as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter one hundred seventy-one (171), section eight (8), are amended to read as follows:

321.50 ~~LIEN~~ SECURITY INTEREST PROVISIONS.

1. A security interest in a vehicle subject to registration under the laws of this state, except trailers whose empty weight is two thousand pounds or less, and wagon box trailers subject to a registration fee of five dollars or less, and new or used vehicles held by a dealer or manufacturer as inventory for sale, is perfected by the delivery to the county treasurer of the county where the certificate of title was issued or, in the case of a new certificate, to the county treasurer where the certificate will be issued of an application for certificate of title which lists such security interest, or an application for notation of security interest signed by the owner, or a certificate of title from another jurisdiction which shows such security interest, and a fee of two dollars for each security interest shown. If the owner or secured party is in possession of the certificate of title, it must also be delivered at this time in order to perfect the security interest. If a vehicle is subject to a security interest when brought into this state, the validity of the security interest and the date of perfection is determined by the Uniform Commercial Code, section 554.9103. Delivery as provided in this subsection shall be deemed to be indication of a security interest on a certificate of title for purposes of chapter five hundred fifty-four (554) of the Code.

5. The Uniform Commercial Code, chapter 554, Article 9, shall apply to all transactions intended to create a security interest in vehicles except as provided in this chapter.

7. Upon request of any person, the county treasurer shall issue his certificate showing whether there are, on the date and hour stated therein, any security interests noted on a particular vehicle's certificate of title, and the name and address of each secured party whose lien security interest is noted thereon. The uniform fee for a written certificate shall be two dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state; otherwise, three dollars. Upon request and payment of the appropriate fee, the county treasurer shall furnish

a certified copy of any security interest notations for a uniform fee of one dollar per page.

Sec. 3. Section five hundred fifty-four point one thousand two hundred one (554.1201), subsection thirty-two (32), Code 1975, is amended by striking the subsection and inserting in lieu thereof the following:

32. "Purchase" means any voluntary transaction creating an interest in property, including taking by sale, discount, negotiation, mortgage, pledge, voluntary lien, issue, reissue or gift.

Sec. 4. Section five hundred fifty-four point nine thousand one hundred three (554.9103), subsection one (1), paragraph c, and subsection two (2), paragraph a, are amended to read as follows:

c. If the parties to a transaction creating a purchase money security interest in goods in one jurisdiction understand at the time that the security interest attaches that the goods will be kept in another jurisdiction, then the law of the other jurisdiction governs the perfection and the effect of perfection or nonperfection of the security interest from the time it attaches until thirty days after the debtor receives possession of the goods and thereafter if the goods are taken to the other jurisdiction before the end of the thirty-day period.

a. This subsection applies to goods covered by a certificate one or more certificates of title issued under a statute of this state or of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection.

Sec. 5. Section five hundred fifty-four point nine thousand two hundred four (554.9204), subsection one (1), Code 1975, is amended to read as follows:

1. Except as provided in subsection 2, a security agreement may provide that any or all obligations covered by the security agreement are to be secured by after-acquired collateral, including after-acquired collateral which also constitutes identifiable noncash proceeds.

Sec. 6. Section five hundred fifty-four point nine thousand three hundred two (554.9302), subsection three (3), paragraph b, Code 1975, is amended to read as follows:

b. the following statutes of this state; sections 321.18, and 321.20 and three hundred twenty-one point fifty (321.50) of the Code; but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this Article (Part 4) apply to a security interest in that collateral created by him as debtor; or

Sec. 7. Section five hundred fifty-four point nine thousand three hundred thirteen (554.9313), subsection four (4), paragraphs c and d, Code 1975, are amended to read as follows:

c. the fixtures are readily removable factory-or-office machines equipment or readily removable replacements of domestic appliances which are consumer goods, and before the goods become fixtures the security interest is perfected by any method permitted by this Article including section five hundred fifty-four point nine thousand three hundred two (554.9302), subsection one (1), paragraph d, of the Code;

or

d. the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article including section five hundred fifty-four point nine thousand three hundred two (554.9302), subsection one (1), paragraph d, of the Code.

Sec. 8. Section five hundred fifty-four point nine thousand four hundred one (554.9401), subsection one (1), paragraph b, is amended to read as follows:

b. when the collateral is consumer goods and when the debtor resides in this state, then in the office of the recorder in the county of the debtor's residence or-if-the debtor-is-not-a-resident-of-this-state-then-in-the-office-of-the-recorder-in-the-county-where-the-goods-are-kept;

Sec. 9. Section five hundred fifty-four point nine thousand four hundred two (554.9402), subsections three (3), six (6)

and seven (7), Code 1975, are amended to read as follows:

3. A form substantially as follows is sufficient to comply with subsection 1:

- Name of debtor (or assignor)
- Address
- Name of secured party (or assignee)
- Address

(1) This financing statement covers the following types (or items) of property:

(Describe)

(2) (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe Real Estate)

(3) (If applicable) The above goods are to become fixtures on

"Where Where appropriate substitute either add or substitute "The above timber is standing on" or "The above minerals or the like (including oil and gas) are located on" or "The above accounts will be financed at the wellhead or minehead of the well or mine located on . . ." or any or all of these

(Describe Real Estate) and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is

(4) (If products of collateral are claimed) Products of the collateral are also covered.

(use whichever is applicable)

Signature of Debtor (or Assignor)

Signature of Secured Party (or Assignee) ..

6. A mortgage is effective as a financing statement filed as a fixture filing or a filing covering timber to be cut, or minerals or the like (including oil and gas), or accounts

subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code or any or all of these, from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures or timber to be cut, or minerals or the like (including oil and gas), or accounts subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, or any or all of these, which are related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

7. A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of ~~ex-consents-to~~ the transfer.

Sec. 10. Section five hundred fifty-four point nine thousand four hundred seven (554.9407), subsections two (2) and three (3), Code 1975, are amended to read as follows:

2. Upon request of any person, the filing officer shall issue his certificate showing whether there is on file on the date and hour stated therein, any presently effective financing statement naming a particular debtor and any financing statement of-assignment-thereof changes and if there

is, giving the date and hour of filing of each such statement filing and the names and addresses of each secured party therein. The uniform fee for such a certificate shall be two dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state; otherwise, three dollars. Upon request and the payment of the appropriate fee the filing officer shall furnish a certified copy of any filed financing statement or financing statement of assignment changes for a uniform fee of one dollar per page.

3. Charging no more than a reasonable estimate of cost, in his discretion the secretary of state or a county recorder may adopt one or more of the following methods of providing information concerning public filings in his office to persons with an interest in this information that is related exclusively to the purposes of this Article:

- a. subscription telephone service;
- b. subscription daily, weekly or monthly written summaries;
- c. granting suitable space for the preparation of written summaries and the provision of telephone service by those persons deemed by the secretary of state or a county recorder to have a legitimate interest in regular examination of the secretary of state's or the county recorder's public files; and or
- d. any other appropriate method of disseminating information.

Except with respect to willful misconduct, the state of Iowa, the secretary of state, a county, a county recorder and their employees and agents are immune from liability as a result of errors or omissions in information supplied pursuant to this subsection.

Sec. 11. Section five hundred fifty-four point nine thousand five hundred four (554.9504), subsection one (1), paragraph c, Code 1975, is amended to read as follows:

- c. the satisfaction of indebtedness secured by any subordinate security interest or lien in the collateral if written notification of demand therefor is received before distribution

of the proceeds is completed. If requested by the secured party, the holder of a subordinate security interest or lien must seasonably furnish reasonable proof of his interest, and unless he does so, the secured party need not comply with his demand.

Sec. 12. Section five hundred fifty-four point nine thousand five hundred five (554.9505), subsection two (2), Code 1975, is amended to read as follows:

2. In any other case involving consumer goods or any other collateral a secured party in possession may, after default, propose to retain the collateral in satisfaction of the obligation. Written notice of such proposal shall be sent to the debtor if he has not signed after default a statement renouncing or modifying his rights to notice and to object to retention of the collateral in full satisfaction of the obligation, under this subsection. In the case of consumer goods no other notice need be given. In other cases notice shall be sent to any other secured party or lienor from whom the secured party has received (before sending his notice to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. If the secured party receives objection in writing from a person entitled to receive be sent notification within twenty-one days after the notice was sent, the secured party must dispose of the collateral under section 554.9504. In the absence of such written objection the secured party may retain the collateral in satisfaction of the debtor's obligation. Retention of the collateral discharges the security interest of the secured party and discharges any security interest or lien subordinate to the security interest of the secured party.

Sec. 13. Section five hundred fifty-four point nine thousand five hundred six (554.9506), Code 1975, is amended to read as follows:

554.9506 DEBTOR'S RIGHT TO REDEEM COLLATERAL. At any time before the secured party has disposed of collateral or entered into a contract for its disposition under section

554.9504 or before the obligation has been discharged under section 554.9505, subsection 2, the debtor or any other secured party or lienor may unless otherwise agreed in writing after default redeem the collateral by tendering fulfillment of all obligations secured by the collateral as well as the expenses reasonably incurred by the secured party in retaking, holding and preparing the collateral for disposition, in arranging for the sale, and to the extent provided in the agreement and not prohibited by law, his reasonable attorneys' fees and legal expenses.

Sec. 14. Section five hundred fifty-four point eleven thousand one hundred five (554.11105), subsection four (4), subsection five (5), paragraph a, and subsections six (6) and seven (7), Code 1975, are amended to read as follows:

4. If the record of a mortgage of real estate would have been effective as a fixture filing or a filing covering timber to be cut, or minerals or the like (including oil and gas), or accounts subject to subsection five (5) and section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, or any or all of these, of goods described therein if this chapter as amended had been in effect on the date of recording the mortgage, the mortgage shall be deemed effective as a fixture filing as to such goods under section 554.9402, subsection 6 on January 1, 1975 and the mortgage shall be deemed effective as a filing covering timber to be cut or minerals or the like (including oil and gas), or accounts subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, or any or all of these, on the effective date of this Act.

a. Filings in the office of a county recorder which have not lapsed or been terminated prior to January 1, 1975, retain their effectiveness unless subsequently lapsed or terminated until January 1, 1980; however, on or after January 1, 1975, continuation statements are not to be filed in the office of a county recorder, and effectiveness can be continued only through the filing in the office of the secretary of state

of a financing statement which complies with section 554.9402 or, if filed before January 1, 1980, with subsection 7; the effectiveness of such financing statements is to be continued through continuation statements which comply with section five hundred fifty-four point nine thousand four hundred three (554.9403), subsection three (3), of the Code; a prior county filing ordinarily may be continued in the office of the secretary of state only in the final six months of its effectiveness at the county level; however, if there were multiple filings in different counties with respect to the same secured transaction, the multiple filings may be consolidated into a single filing in the office of the secretary of state if any one of the multiple county filings is in the final six months of its effectiveness at the county level;

6. If a security interest is perfected or has priority on January 1, 1975, as to all persons or as to certain persons without any filing or recording, and if the filing of a financing statement would be required for the perfection or priority of the security interest against those persons under this chapter as amended, the perfection and priority rights of the security interest continue until three years after January 1, 1975. The perfection will then lapse unless a financing statement which complies with either section 554.9402 or subsection 7 of this section has been filed or unless the security interest has been perfected otherwise than by filing. The effectiveness of such financing statements is to be continued through continuation statements which comply with section five hundred fifty-four point nine thousand four hundred three (554.9403), subsection three (3), of the Code.

7. Where indicated by this section, a financing statement which otherwise complies with section 554.9402 may be signed by either the secured party instead of or the debtor provided that the financing statement is accompanied by a carbon, photocopy, or other suitable reproduction of an effective prior filing, and evidence of proper prior filing, and states that the prior filing is still effective. Insofar as

subsection 6 authorizes perfection by filing of security interests which have been perfected without filing under section 554.9302, subsection 1, paragraph "c," prior to amendment, a financing statement which otherwise complies with section 554.9402 may be signed by either the secured party ~~instead of~~ or the debtor provided that the financing statement identifies the security agreement and states that the security interest was perfected without filing under section 554.9302, subsection 1, paragraph "c," prior to amendment.

Sec. 15. Section five hundred fifty-four point eleven thousand one hundred five (554.11105), Code 1975, is amended by adding the following new subsection as subsection six (6), renumbering the remaining subsections, and correcting internal references as required.

NEW SUBSECTION. If collateral consists of fixtures, timber to be cut, minerals or the like (including oil and gas), or accounts subject to subsection five (5) of section five hundred fifty-four point nine thousand one hundred three (554.9103) of the Code, filings in the Uniform Commercial Code files of a county recorder which have not lapsed or been terminated prior to January 1, 1975, retain their effectiveness unless subsequently lapsed or terminated until January 1, 1980; however, on or after the effective date of this Act, continuation statements in the form of financing statements which are to be recorded in the land records and cross-indexed in the Uniform Commercial Code files of the county recorder can be filed without regard to the remaining period of effectiveness of the prior filing; financing statements used to continue the effectiveness of prior county land-related filings must comply either with section five hundred fifty-four point nine thousand four hundred two (554.9402), of the Code or with subsection eight (8) of this section.

Sec. 16. Section five hundred fifty-eight point one (558.1), Code 1975, is amended to read as follows:

558.1 "INSTRUMENTS AFFECTING REAL ESTATE" DEFINED--
REVOCATION. All instruments containing a power to convey,

or in any manner relating to real estate, including certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, shall be held to be instruments affecting the same; and no such instrument, when certified and recorded as in this chapter prescribed, can be revoked as to third parties by any act of the parties by whom it was executed, until the instrument containing such revocation is acknowledged and filed for record in the same office in which the instrument containing such power is recorded, except that Uniform Commercial Code financing statements and financing statement changes need not be thus acknowledged.

Sec. 17. Section five hundred fifty-eight point forty-two (558.42), Code 1975, is amended to read as follows:

558.42 ACKNOWLEDGMENT AS CONDITION PRECEDENT. It shall not be deemed lawfully recorded, unless it has been previously acknowledged or proved in the manner prescribed in this chapter, except that affidavits and certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, and Uniform Commercial Code financing statements and financing statement changes need not be thus acknowledged.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 1272, Sixty-sixth General Assembly.

STEVEN C. CROSS
Secretary of the Senate

Approved June 23, 1976

ROBERT D. RAY
Governor