

Some Guidelines Regarding Financing Statements and Filing

1. A financing statement that fails to comply with § 9-502 is not “sufficient” within the meaning of the Code and is not an effective financing statement filing even if accepted by the filing officer and properly indexed. (In most cases, § 9-502(a) is of greatest concern.)
2. A “sufficient” financing statement (meaning one that complies with § 9-502) that does not comply with § 9-516(b) and that is rejected by the filing officer is not effective.
3. A “sufficient” financing statement that is rejected by the filing officer for reasons other than those found in § 9-516(b) is effective except against a purchaser who has extended value in reasonable reliance on the absence of a record. *See* §§ 9-516(d), 9-520(a)-(c).
4. A “sufficient” financing statement that is accepted by the filing officer that does not comply with § 9-516(b)(5) is effective except against a secured party or purchaser who has extended value in reasonable reliance upon the incorrect information. *See* §§ 9-520(c) and 9-338.
5. A “sufficient” financing statement that is accepted by the filing officer but that does not comply with some provision of § 9-516(b) other than § 9-516(b)(5) (be careful here of the overlap between § 9-502 and § 9-516(b)) is effective. *See* § 9-520(c).
6. A “sufficient” financing statement that is communicated to the filing officer with the appropriate filing fees, is accepted, and is therefore filed (§ 9-516(a)) is effective even if it is mis-indexed (§ 9-517) or improperly terminated (case law) and therefore cannot be discovered with a proper search.
7. A “sufficient” financing statement that accurately indicates the collateral covered and provides all of the information required by the UCC-1 and § 9-516(b) and that the debtor has authorized the filing of (§§ 9-509 and 9-510) and that has been communicated to the filing office with the appropriate fee and that has been properly filed and indexed by the filing officer is effective.

The above contains various run-on sentences that should not be duplicated in good writing. However, the sentences are used here as the best way I can think of to convey the various ideas.