

Contents

CHAPTER 1 TRANSITION AND APPLICABLE LAW.....	1-1
1.1 Transition Rules	1-1
1.1.1 General Rule: Revised Article 9 Applies to Pre- and Post-July 1, 2001 Transactions	1-1
1.1.2 Exceptions to the General Rule.	1-2
1.1.2.1 Law Suits	1-2
1.1.2.2 Five-Year Safe Harbor for Financing Statements ..	1-2
1.1.2.3 One Year for Everything Else	1-3
1.2 Continuation of Financing Statements Filed Properly under Former Article 9, but in the Wrong Place under Revised Article 9	1-5
1.3 Continuation of Former Article 9 Financing Statement Filed in the Right Revised Article 9 State and Filing Office.	1-6
1.4 Amendments to and Termination of Financing Statements Filed before July 1, 2001	1-8.1
1.5 Transition Priorities	1-8.1
1.6 What Law Governs?	1-9
1.6.1 Governing Law for Perfection and Priority	1-9
1.6.2 Governing Law for Other Issues	1-12
CHAPTER 2 OVERVIEW AND DEFINITIONS.....	2-1
2.1 Security Interest	2-1
2.1.1 Disguised Sales or Leases Intended as Security	2-1
2.1.2 Purchase-Money Security Interests.....	2-3
2.1.2.1 Application of Payments	2-4
2.1.3 Agricultural Liens	2-4.1
2.1.4 Consignments	2-4.1
2.2 Parties	2-4.2
2.3 Exclusions from Revised Article 9.	2-5
2.4 Revised Article 9 Collateral Categories	2-8
2.4.1 Intangible and “Semi-Tangible” Property.....	2-8
2.4.2 Tangible and “Semi-Tangible” Property	2-11
2.4.3 Investment Property-Related Definitions	2-13
2.4.4 Supporting Obligation.	2-13
2.4.5 Proceeds.. ..	2-14
2.5 Medium Neutral Terms.	2-14
2.6 Good Faith	2-15
2.7 Special Consumer Rules.....	2-15

CONTENTS

**CHAPTER 3 CREATING A SECURITY INTEREST—ATTACHMENT—
MAKING THE SECURED PARTY’S RIGHTS
ENFORCEABLE AGAINST THE DEBTOR 3-1**

3.1 Elements of Attachment 3-1

3.2 Security Agreement 3-2

3.3 Possession. 3-3

3.4 Control 3-4

3.5 Attachment to Proceeds and Supporting Obligations. 3-4

3.6 Attachment to Securities and Commodity Accounts 3-5

3.7 After-Acquired Property 3-5

3.8 Future Advances 3-5

CHAPTER 4 PERFECTION. 4-1

4.1 General Rule: All Security Interests Must Be Perfected By
Filing a Financing Statement 4-2

4.2 Exception 1: When Filing a Financing Statement Does Not
Work at All 4-2

4.3 Exception 2: When Filing a Financing Statement Is an Optional
Method of Perfection 4-2

4.4 Exception 3: When Perfected Automatically 4-2

4.5 Exception 4: When Filing a Financing Statement Is Not
Required for Security Interests in Property Subject to a
Certificate of Title or Other Statute 4-4

4.6 Exception 5: When Filing a Financing Statement Is Not
Required for Security Interests Perfected by Possession 4-4

4.7 Exception 6: When Filing a Financing Statement Is Not
Required for Security Interests Perfected by Control 4-5

4.8 Exception 7: When Perfection Is Temporary 4-5

CHAPTER 5 FINANCING STATEMENT MECHANICS 5-1

5.1 What Kinds of Records Are Filed? 5-1

5.2 Where to File?. 5-1

5.3 Contents of a “Sufficient” Financing Statement. 5-3

5.4 Debtor’s Name Rules 5-4

5.5 How to Describe Collateral. 5-6

5.6 When Filing Office Can Reject Filings 5-6.1

5.7 Mistakes 5-7

5.8 Who Can File? 5-8

5.8.1 Initial Financing Statements 5-8

5.8.2 Amendments to Financing Statements 5-9

5.9 Duration of Financing Statements 5-10

5.10 Continuation Statements. 5-11

5.11 Termination Statements 5-12

5.12 The Filing Office 5-12

5.13	Inaccurate or Wrongfully Filed Records	5-13
5.13.1	Financing Statements	5-13
5.13.2	Amendments, Including Termination Statements	5-13
5.14	Filing Office Indexing Errors.	5-14
5.15	Maintenance and Destruction of Records.	5-14
5.16	Information from Filing Office	5-14
5.17	Fee	5-14.1
5.18	Filing Office Rules.	5-15
5.19	Recordation Tax	5-15
CHAPTER 6 PREVAILING AGAINST OTHERS.....		6-1
6.1	General Rules of Priority among Creditors	6-1
6.2	Exceptions to the “First-to-File-or-Perfect” Rule.....	6-2
6.2.1	Control Prevails over Filing	6-2
6.2.2	Some Security Interests Perfected by Possession or Control Prevail over Earlier Security Interests on Chattel Paper and Instruments Perfected by Filing.....	6-2
6.2.3	The Purchase-Money Security Interest Super-Priority.....	6-4
6.2.4	Future Advances	6-5
6.3	Transferees of Collateral	6-6
6.4	Buyers.....	6-6
6.5	Licensees and Lessees in Ordinary Course of Business.....	6-7
6.6	Rights under Articles 3, 7, and 8	6-7
6.7	Possessory Statutory Liens	6-8
6.8	Priority of Security Interest in Fixtures	6-8
6.8.1	Exception 1: Purchase-Money Priority.....	6-9
6.8.2	Exception 2: First to Record.	6-9
6.8.3	Exception 3: Removable Goods and Domestic Appliances	6-9
6.8.4	Exception 4: Judicial Liens	6-9
6.8.5	Exception 5: Manufactured Homes	6-10
6.8.6	Subordination of Purchase-Money Security Interest in Fixtures to Construction Mortgage	6-10
6.8.7	Priority Based on Consent	6-10
6.9	Priority of Security Interest in Crops	6-10
6.10	Accessions	6-11
6.11	Commingled Goods	6-11
6.12	Contractual Subordination	6-12

CONTENTS

CHAPTER 7 PARTICULAR TYPES OF COLLATERAL 7-1

7.1 Investment Property 7-1

 7.1.1 Definition 7-1

 7.1.2 Attachment 7-1

 7.1.3 Governing Law for Perfection and Priority 7-2

 7.1.4 Perfection 7-2

 7.1.5 Priority 7-4

7.2 Deposit Accounts 7-5

7.3 Letter-of-Credit Rights 7-8

7.4 Commercial Tort Claims 7-9

7.5 Agricultural Liens 7-10

7.6 Software 7-11

7.7 Motor Vehicles 7-13

7.8 Electronic Chattel Paper 7-14.1

7.9 Patents 7-15

7.10 Trademarks and Service Marks 7-16

7.11 Copyrights 7-16

7.12 Aircraft 7-16

7.13 Boats 7-17

7.14 Partnership and Limited Liability Company Interests 7-18

7.15 Government Issued Permits and Licenses 7-19

 7.15.1 Broadcast Licenses 7-20

 7.15.2 Liquor Licenses 7-20

CHAPTER 8 PROCEEDS 8-1

8.1 General Rule—Continuation of Security Interest in Original Collateral and Proceeds 8-1

8.2 Twenty-Day Automatic Perfection for Proceeds 8-1

8.3 How a Security Interest in Proceeds Remains Perfected for More Than 20 Days 8-2

8.4 Priority in Proceeds 8-3

CHAPTER 9 CHANGES AFTER CLOSING 9-1

9.1 Secured Party Changes 9-1

9.2 Debtor’s Location Changes 9-1

9.3 Collateral Location Changes 9-3

9.4 Location of Bank, Issuer, Nominated Person, Securities Intermediary or Commodity Intermediary Changes 9-3

9.5 Financing Statements and Changes 9-4

 9.5.1 Debtor’s Name Changes 9-4

 9.5.2 New Debtors 9-4

9.6 “Double Debtors” 9-5

9.7 Goods Covered by Certificates of Title 9-6

CHAPTER 10	THIRD PARTIES—ACCOUNT DEBTORS	10-1
10.1	Account Debtors	10-1
10.2	Terms Restricting Assignment	10-3
10.2.1	Accounts, Chattel Paper, and Security Assignments of Payment Intangibles and Promissory Notes	10-3
10.2.2	Health-Care-Insurance Receivables, Certain General Intangibles, Including Contracts, Permits, Licenses and Franchises and Sales of Payment Intangibles and Promissory Notes	10-4
10.2.3	Assignment of Letter-of-Credit Rights	10-5
CHAPTER 11	ENFORCEMENT	11-1
11.1	Options	11-1
11.2	Waiver and Variance of Debtor and Obligor’s Rights and Secured Party’s Duties	11-2
11.3	Unknown Debtor or Secondary Obligor	11-3
11.4	“Commercially Reasonable”	11-3
11.5	Fixtures	11-4.1
11.6	Collection and Enforcement of Collateral Consisting of Rights to Payment	11-4.1
11.7	Application of Proceeds of Collection and Enforcement of Collateral Consisting of Rights to Payment	11-6
11.8	Repossession	11-7
11.9	Disposition of Collateral	11-7
11.10	Notices Before Disposition	11-8
11.10.1	General Rule and Exceptions	11-8
11.10.2	Persons Entitled to Notice	11-9
11.10.3	Manner of Sending Notice — The “Second Attempt” Rule	11-10
11.10.4	Timing of Notice	11-11
11.10.5	Content of Notice	11-11
11.10.5.1	Non-Consumer-Goods Transactions	11-11
11.10.5.2	Consumer-Goods Transactions	11-11
11.11	Application of Proceeds	11-12
11.12	Accounting	11-14
11.13	Transferees of Collateral	11-14
11.14	Transfers to Secondary Obligors	11-14
11.15	Transfer Statement	11-15
11.16	Acceptance of Collateral in Full or Partial Satisfaction of Obligation—Strict Foreclosure	11-15
11.17	Mandatory Disposition of Consumer Goods	11-17
11.18	Right of Redemption	11-18
CHAPTER 12	SECURED PARTY’S OBLIGATIONS	12-1

CONTENTS

12.1 Care of Collateral 12-1

12.2 Release of Account Debtor 12-1

12.3 Duty to Provide Information 12-2

12.4 Obligation to Terminate 12-3

12.5 Penalties for Failure to Comply 12-5

 12.5.1 Duty to Provide Information 12-5

 12.5.2 Obligation to Terminate 12-5

CHAPTER 13 REMEDIES AGAINST SECURED PARTIES 13-1

13.1 Damages 13-1

13.2 Rebuttable Presumption Rule 13-1

13.3 Insider Dispositions 13-2

CHAPTER 14 FORMS 14-1

FORM 14-1 Revised Article 9 Collateral List for Security Agreement—Tenn. Code § 47-9-108 (Commercial Credit) 14-1

FORM 14-2 Revised Article 9 Collateral List—Tenn. Code § 47-9-108 (Consumer Credit) 14-3

FORM 14-3 Secured Party’s Release of Control over Deposit Account—Tenn. Code § 47-9-208(b)(1) 14-4

FORM 14-4 Secured Party’s Release of Securities Intermediary/Commodity Intermediary—Tenn. Code § 47-9-208(b)(4) 14-4.1

FORM 14-5 Secured Party’s Release of Control over Letter-of-Credit Right—Tenn. Code § 47-9-208(b)(5) 14-5

FORM 14-6 Debtor’s Request for an Accounting—Tenn. Code § 47-9-210(a)(2) 14-6

FORM 14-7 Debtor’s Request Regarding a List of Collateral—Tenn. Code § 47-9-210(a)(3) 14-7

FORM 14-8 Debtor’s Request Regarding a Statement of Account—Tenn. Code § 47-9-210(a)(4) 14-8

FORM 14-9 Secured Party’s Accounting—Tenn. Code § 47-9-210(b)(1) 14-9

FORM 14-10 Secured Party’s Response to Debtor’s Request Regarding a List of Collateral—Tenn. Code § 47-9-210(b)(2) 14-10

FORM 14-11 Secured Party’s Response to Debtor’s Request Regarding a Statement of Account—Tenn. Code § 47-9-210(b)(2) 14-11

FORM 14-12 Secured Party’s Response to Debtor’s Request Regarding a List of Collateral when Secured Party Claims an Interest in All of a Particular

	Type of Collateral Owned by the Debtor—Tenn. Code § 47-9-210(c)	14-12
FORM 14-13	Secured Party’s Response to Debtor’s Request Regarding a List of Collateral when No Interest Claimed in Collateral—Tenn. Code § 47-9-210(d)	14-13
FORM 14-14	Secured Party’s Response to Debtor’s Request for Accounting or Request Regarding a Statement of Account when No Interest Claimed—Tenn. Code § 47-9-210(e)	14-14
FORM 14-15	Notice of Exclusive Control of Securities Account.	14-15
FORM 14-16	Notice of Disposition of Consumer-Goods—Tenn. Code § 47-9-614	14-16
FORM 14-17	Notice of Disposition of Non-Consumer- Goods—Tenn. Code § 47-9-613	14-18
FORM 14-18	Secured Party’s Request for Consent of Issuer or Nominated Person to Assignment of Letter-of-Credit Proceeds and Issuer or Nominated Person’s Consent—Tenn. Code § 47-9-107	14-19
FORM 14-19	Exclusion of Warranties by Secured Party Selling Collateral—Tenn. Code § 47-9-610	14-20
FORM 14-20	Notice of Purchase-Money Security Interest in Inventory—Tenn. Code § 47-9-324(b)	14-20
FORM 14-21	Notice to Bailee in Possession of Goods Who Has Issued a Non-Negotiable Document Covering the Goods—Tenn. Code § 47-9-312(d)	14-21
FORM 14-22	Consent of Owner of Real Property to Creation of Security Interest in Fixtures—Tenn. Code § 47-9-334(f)	14-22
FORM 14-23	Notice from Consignor to Secured Party—Tenn. Code § 47-9-324(b), Comment 7	14-23
FORM 14-24	Waiver of Disposition Notification—Tenn. Code §§ 47-9-602(7), 47-9-611, 47-9-624(a)	14-24
FORM 14-24A	Waiver of Mandatory Disposition of Collateral— Tenn. Code §§ 47-9-602(10), 47-9-620(e) and (f), 47-9-624(b)	14-25
FORM 14-25	Mandatory Disposition of Consumer Goods—Agreement of Debtor and Secondary Obligor to Longer Period of Time—Tenn. Code §§ 47-9-620(e) and (f)	14-26
FORM 14-26	Description of Commercial Tort Claim for Purposes of Security Agreement and Financing State—Tenn. Code §§ 47-9-108, 47-9-504, 47-9-203(b)(3)(A)	14-27
FORM 14-27	Grant of Security Interest in Deposit Account to Depository Bank to Include in Deposit Account Signature Card—Tenn. Code §§ 47-9-203(b)(3)(D), 47-9-104(a)(1)	14-28

CONTENTS

FORM 14-27A Secured Party’s Proposal to Debtor to Accept Collateral in Full Satisfaction of Debt—Tenn. Code Section 47-9-620 14-29

FORM 14-28 Secured Party’s Proposal to Other Secured Parties and Lienholders to Accept Collateral in Full Satisfaction of Debt—Tenn. Code § 47-9-620 14-30

FORM 14-28A Debtor’s Consent to Secured Party’s Proposal to Accept Collateral in Full or Partial Satisfaction of Debt—Tenn. Code § 47-9-620 14-30.1

FORM 14-29 Secured Party’s Proposal to Other Secured Parties and Lienholders and Secondary Obligor to Accept Collateral in Partial Satisfaction of Debt—Tenn. Code § 47-9-620. 14-30.2

FORM 14-30 Application of Payments 14-30.3

FORM 14-31 Bailee Acknowledgment that it Holds Possession of Collateral for Secured Party’s Benefit—Tenn. Code § 47-9-313(c) 14-30.4

FORM 14-32 Notice of Assignment to Include on Chattel Paper or an Instrument—Tenn. Code §§ 47-9-330(a)(2), (d), and (f) 14-31

FORM 14-33 Notice to Include on Chattel Paper Financing Statement that Purchase of Chattel Paper from Debtor Would Violate the Rights of the Secured Party—Tenn. Code § 47-9-330(b) 14-31

FORM 14-34 Notice to Account Debtor of Assignment of Account—Tenn. Code § 47-9-406 14-31

FORM 14-35 Agreement of Account Debtor Not to Assert Claims and Defenses Against Assignee of Account—Tenn. Code § 47-9-403(b) 14-32

FORM 14-36 Secured Party’s Release of Account Debtor—Tenn. Code § 47-9-209(b). 14-32

FORM 14-37 Proof Offered by Assignee that Account Has Been Assigned—Tenn. Code § 47-9-406(c) 14-32

FORM 14-38 Secured Party Affidavit in Recordable Form Regarding Default—Tenn. Code § 47-9-607(b) 14-33

FORM 14-39 Instruction by Secured Party to Bank to Pay Out Deposit Account Collateral after Default—Tenn. Code § 47-9-607(a)(5) 14-35

FORM 14-40 Transfer Statement—Tenn. Code § 47-9-619 14-36

FORM 14-41 Notice to Secured Party of a Claim or Interest in the Collateral—Tenn. Code § 47-9-611(c)(3)(A) 14-37

FORM 14-42 Demand by Subordinate Secured Party for Proceeds—Tenn. Code §§ 47-9-608(a)(1)(C), 47-9-615(a)(3)(A) 14-37

FORM 14-43 Demand by Secured Party of Proof of Subordinate Interest—Tenn. Code §§ 47-9-608(a)(2), 47-9-615(b) 14-38

FORM 14-44	Federal Trade Commission Holder-in-Due-Course Notice	14-39
FORM 14-45	Deficiency/Surplus Explanation—Tenn. Code § 47-9-616	14-39
FORM 14-46	Security Agreement (Consumer)	14-41
FORM 14-47	Security Agreement (Corporate Debtor)	14-51
FORM 14-47A	Consignment Agreement	14-82
FORM 14-48	Pledge Agreement (Certificated Security).	14-82.8
FORM 14-49	Guaranty Security Agreement (Corporate Guarantor)	14-89
FORM 14-50	Investment Property Control Agreement (Joint Control, No Withdrawals or Distributions of Dividends)	14-119
FORM 14-51	Investment Property Control Agreement (Exclusive Creditor Control)	14-124
FORM 14-52	Investment Property Security Agreement (Joint Control)	14-128
FORM 14-53	Investment Property Security Agreement (Exclusive Creditor Control)	14-137
FORM 14-54	Deposit Account Control Agreement (Joint Control)	14-145
FORM 14-55	Deposit Account Control Agreement (Exclusive Creditor Control)	14-149
FORM 14-56	Guaranty Agreement (Corporate Guarantor).	14-153
FORM 14-57	Promissory Note (Commercial).	14-170
FORM 14-58	Subordination Agreement	14-181
FORM 14-58A	Intercreditor Agreement.	14-185
FORM 14-59	Deposit Account Security Agreement and Control Agreement (Short Form, No Waiver of Setoff by Depository)	14-186.30
FORM 14-60	Loan and Security Agreement (Commercial Loan).	14-188
FORM 14-61	Pledge Agreement (Certificates of Deposit that Are “Instruments”).	14-223
FORM 14-62	UCC-1 Financing Statement	14-229
FORM 14-62A	UCC-1 Financing Statement (2002 Version).	14-230.1
FORM 14-63	UCC Financing Statement Addendum	14-231
FORM 14-63A	UCC Financing Statement Addendum (2002 Version)	14-232
FORM 14-63B	UCC Financing Statement Additional Party	14-233
FORM 14-64	UCC Financing Statement Amendment	14-234
FORM 14-64A	UCC Financing Statement Amendment (2002 Version)	14-234.1
FORM 14-65	UCC Financing Statement Amendment Addendum	14-234.2
FORM 14-65A	UCC Financing Statement Amendment Additional Party.	14-234.3
FORM 14-66	Information Request (6/4/01 Version)	14-234.4
FORM 14-66A	Information Request (5/9/01 Version)	14-234.5

CONTENTS

FORM 14-67 Assignment of Deed of Trust. 14-234.6

FORM 14-68 “In Lieu” Financing Statement Legend—Tenn.
Code § 47-9-706(c) 14-235

FORM 14-69 Construction Deed of Trust, Assignment of Rents
and Security Agreement—Tenn. Code § 47-9-502(c) 14-236

FORM 14-70 Financing Statement Legend—Disclosing Debtor
Agreement Not to Grant Junior Security Interests
in Collateral—Tenn. Code § 47-9-331 14-266

FORM 14-71 Waiver of Right to Redeem—Tenn. Code § 47-9-624(c) 14-266

FORM 14-72 Secured Party’s Disclaimer of an Interest
in Collateral or Obligations—Tenn.
Code §§ 47-9-210(d) and (e) 14-267

FORM 14-73 Revised Article 9 Collateral List for
Financing Statement (Commercial Credit)—Tenn.
Code § 47-9-504 14-268

FORM 14-74 Debtor’s Correction Statement—Tenn.
Code § 47-9-518(b) 14-270

FORM 14-74A Debtor’s Correction Statement (2002 Version) 14-270.1

FORM 14-75 Authorization to File Financing Statement or Amendment. 14-271

FORM 14-76 Authorization to File Termination Statement 14-272

FORM 14-77 Notice of Purchase-Money Security Interest in
Livestock—Tenn. Code § 47-9-324(d) 14-273

FORM 14-78 Notice of Substitute Trustee’s Foreclosure Sale 14-274

FORM 14-79 Aircraft Security Agreement 14-276

FORM 14-79A Aircraft Security Agreement (International Interests). 14-287

FORM 14-80 Assignment of Note and Other Loan Documents 14-288.18

FORM 14-81 Consent to Assignment and Release 14-294

FORM 14-82 Acknowledgment of Delivery of Loan Documents. 14-298

FORM 14-83 Agreement for Voluntary Surrender of Collateral 14-299

APPENDIX A: Tennessee Department of State, Division of
Business Services, UCC Filing Guide APP A-1

INDICES

Table of Tennessee Laws INDEX-1

Table of Cases. INDEX-19

Subject Index. INDEX-23

Forms Index INDEX-33