

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

PART 7
TRANSITION

440.9701 “This amendatory act” defined.

Sec. 9701. As used in this part, “this amendatory act” means the amendatory act that added this part.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9702 Savings clause.

Sec. 9702. (1) Except as otherwise provided in this part, this amendatory act applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before this amendatory act takes effect.

(2) Except as otherwise provided in subsection (3) and sections 9703 through 9709, both of the following apply:

(a) Transactions and liens that were not governed by this article before this amendatory act takes effect, were validly entered into or created before this amendatory act takes effect, and would be subject to this amendatory act if they had been entered into or created after this amendatory act takes effect, and the rights, duties, and interests flowing from those transactions and liens remain valid after this amendatory act takes effect.

(b) The transactions and liens may be terminated, completed, consummated, and enforced as required or permitted by this amendatory act or by the law that otherwise would apply if this amendatory act had not taken effect.

(3) This amendatory act does not affect an action, case, or proceeding commenced before this amendatory act takes effect.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9703 Security interest perfected before effective date.

Sec. 9703. (1) A security interest that is enforceable immediately before this amendatory act takes effect and would have priority over the rights of a person that becomes a lien creditor at that time is a perfected security interest under this amendatory act if, when this amendatory act takes effect, the applicable requirements for enforceability and perfection under this amendatory act are satisfied without further action.

(2) Except as otherwise provided in section 9705, if, immediately before this amendatory act takes effect, a security interest is enforceable and would have priority over the rights of a person that becomes a lien creditor at that time, but the applicable requirements for enforceability or perfection under this amendatory act are not satisfied when this amendatory act takes effect, all of the following apply to the security interest:

(a) The security interest is a perfected security interest for 1 year after this amendatory act takes effect.

(b) The security interest remains enforceable thereafter only if the security interest becomes enforceable under section 9203 before the year expires.

(c) The security interest remains perfected thereafter only if the applicable requirements for perfection under this amendatory act are satisfied before the year expires.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9704 Security interest unperfected before effective date.

Sec. 9704. All of the following apply to a security interest that is enforceable immediately before this amendatory act takes effect but which would be subordinate to the rights of a person that becomes a lien creditor at that time:

(a) The security interest remains an enforceable security interest for 1 year after this amendatory act takes effect.

(b) The security interest remains enforceable thereafter if the security interest becomes enforceable under section 9203 when this amendatory act takes effect or within 1 year thereafter.

(c) The security interest becomes perfected under 1 of the following:

(i) Without further action, when this amendatory act takes effect if the applicable requirements for perfection under this amendatory act are satisfied before or at that time.

(ii) When the applicable requirements for perfection are satisfied if the requirements are satisfied after that time.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9705 Effectiveness of action taken before effective date.

Sec. 9705. (1) If action, other than the filing of a financing statement, is taken before this amendatory act takes effect and the action would have resulted in priority of a security interest over the rights of a person that becomes a lien creditor had the security interest become enforceable before this amendatory act takes effect, the action is effective to perfect a security interest that attaches under this amendatory act within 1 year after this amendatory act takes effect. An attached security interest becomes unperfected 1 year after this amendatory act takes effect unless the security interest becomes a perfected security interest under this amendatory act before the expiration of that period.

(2) The filing of a financing statement before this amendatory act takes effect is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this amendatory act.

(3) This amendatory act does not render ineffective an effective financing statement that, before this amendatory act takes effect, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in section 9103 before this amendatory act takes effect. However, except as otherwise provided in subsections (4) and (5) and section 9706, the financing statement ceases to be effective at the earlier of the following:

(a) The time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed.

(b) June 30, 2006.

(4) The filing of a continuation statement after this amendatory act takes effect does not continue the effectiveness of the financing statement filed before this amendatory act takes effect. However, upon the timely filing of a continuation statement after this amendatory act takes effect and in accordance with the law of the jurisdiction governing perfection as provided in part 3, the effectiveness of a financing statement filed in the same office in that jurisdiction before this amendatory act takes effect continues for the period provided by the law of that jurisdiction.

(5) Subsection (3)(b) applies to a financing statement that, before this amendatory act takes effect, is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in section 9103 before this amendatory act takes effect only to the extent that part 3 provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

(6) A financing statement that includes a financing statement filed before this amendatory act takes effect and a continuation statement filed after this amendatory act takes effect is effective only to the extent that it satisfies the requirements of part 5 for an initial financing statement.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9706 When initial financing statement suffices to continue effectiveness of financing statement.

Sec. 9706. (1) The filing of an initial financing statement in the office specified in section 9501 continues the effectiveness of a financing statement filed before this amendatory act takes effect if all of the following apply:

(a) The filing of an initial financing statement in that office would be effective to perfect a security interest under this amendatory act.

(b) The pre-effective-date financing statement was filed in an office in another state or another office in this state.

(c) The initial financing statement satisfies subsection (3).

(2) The filing of an initial financing statement under subsection (1) continues the effectiveness of the pre-effective-date financing statement if both of the following apply:

(a) If the initial financing statement is filed before this amendatory act takes effect, for the period provided in section 9403 before this amendatory act takes effect with respect to a financing statement.

(b) If the initial financing statement is filed after this amendatory act takes effect, for the period provided in section 9515 with respect to an initial financing statement.

(3) To be effective for purposes of subsection (1), an initial financing statement must do all of the following:

(a) Satisfy the requirements of part 5 for an initial financing statement.

(b) Identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement.

(c) Indicate that the pre-effective-date financing statement remains effective.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9707 Pre-effective-date financing statement.

Sec. 9707. (1) As used in this section, "pre-effective-date financing statement" means a financing statement filed before this amendatory act takes effect.

(2) After this amendatory act takes effect, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in part 3. However, the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

(3) Except as otherwise provided in subsection (4), if the law of this state governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended after this amendatory act takes effect only if 1 of the following is met:

(a) The pre-effective-date financing statement and an amendment are filed in the office specified in section 9501.

(b) An amendment is filed in the office specified in section 9501 concurrently with, or after the filing in that office of, an initial financing statement that satisfies section 9706(3).

(c) An initial financing statement that provides the information as amended and satisfies section 9706(3) is filed in the office specified in section 9501.

(4) If the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be continued only under section 9705(4) and (6) or 9706.

(5) Whether or not the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement filed in this state may be terminated after this amendatory act takes effect by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies section 9706(3) has been filed in the office specified by the law of the jurisdiction governing perfection as provided in part 3 as the office in which to file a financing statement.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9708 Persons entitled to file initial financing statement or continuation statement.

Sec. 9708. A person may file an initial financing statement or a continuation statement under this part if both of the following apply:

(a) The secured party of record authorizes the filing.

(b) The filing is necessary under this part to do 1 of the following:

(i) To continue the effectiveness of a financing statement filed before this amendatory act takes effect.

(ii) To perfect or continue the perfection of a security interest.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9709 Priority.

Sec. 9709. (1) This amendatory act determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before this amendatory act takes effect, this article as in effect before this amendatory act takes effect determines priority.

(2) For purposes of section 9322(1), the priority of a security interest that becomes enforceable under section 9203 of this amendatory act dates from the time this amendatory act takes effect if the security interest is perfected under this amendatory act by the filing of a financing statement before this amendatory act takes effect which would not have been effective to perfect the security interest under this article as in effect before this amendatory act takes effect. This subsection does not apply to conflicting security interests each of which is perfected by the filing of a financing statement described in this subsection.

History: Add. 2000, Act 348, Eff. July 1, 2001.