

SUBJECT: Overview of Revised Uniform Commercial Code Article 9

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INTRODUCTION

This release provides an overview of Revised Article 9 and applies to all state and federal credit unions in Wisconsin. It describes 2001 revisions to Article 9 of the Uniform Commercial Code.

The information included in this release is intended as a general overview of the law and does not constitute legal advice or opinion. The information is not intended to address specific factual situations or individual problems or issues. You may need to consider seeking professional legal advice before making any decision based on the topics discussed in this release. This release was originally prepared by LaFollette, Godfrey & Kahn and updated by The League's staff.

EXECUTIVE SUMMARY

Revised Article 9 continues to govern transactions between a creditor and debtor where the creditor takes a security interest in certain personal property owned by the debtor. It addresses not only how a creditor obtains a valid security interest against collateral owned by the debtor, but also how the credit union establishes its priority in relation to other creditors and, subject to limitations set forth in consumer laws like the Wisconsin Consumer Act, how a creditor following a debtor's default realizes on the collateral.

Although the basic principles of Article 9 — attachment, perfection, priority of interests — have not changed, Revised Article 9 makes significant changes that impact credit union lending and collection practices.

The following is a summary of the more significant changes made by Revised Article 9:

- Continues to cover conventional categories of collateral like goods, consumer goods, inventory, farm products, equipment, instruments, general intangibles, chattel paper and investment property. But it now also covers new forms of collateral not covered previously, like deposit accounts, commercial tort claims, health-care-insurance receivables and payment intangibles. This means that credit unions taking these assets as collateral will need to follow the rules of Revised Article 9 to obtain enforceable security interests and to have priority in the collateral.
- Eliminates the requirement that security agreements be in writing and signed and replaces it with the concept of “authentication.” In some cases financing statements will not have to be signed by a debtor.
- Changes in some cases the location for filing a financing statement. Except for as-extracted collateral like mineral rights, timber to be cut, and a financing statement to be filed as a fixture filing, financing statements covering other types of collateral must be filed centrally at the Department of Financial Institutions (“DFI”).
- Alters the rules regarding the proper location for filing a financing statement from the location of the collateral to the location of the debtor.

- Allows for more general descriptions of collateral in security agreements consistent with the categories of collateral set forth in Revised Article 9, but requires more specificity for consumer goods.
- Adds a new method of perfecting a security interest — control — for certain types of collateral like deposit accounts.
- Gives debtors greater rights to access information regarding their loan balances and the collateral held by the credit union and creates penalties in the event the credit union fails to provide a timely and accurate response.
- Applies to loans entered into before and after July 1, 2001, so that credit unions may need to take action to maintain their perfected security interests on loans entered into before July 1, 2001.

DEFINITIONS

The following definitions are key to an understanding of Revised Article 9:

Attachment occurs when the security interest is enforceable against a debtor and third parties. A security interest is enforceable only if value has been given, the debtor has rights in the collateral or the power to transfer rights in the collateral, and in most situations, the debtor has authenticated a security agreement. § 409.203(1) and (2).

Authenticate means (1) to sign; or (2) to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record. § 409.102(1)(bm).

Bank means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions and trust companies. § 409.102(1)(bs).

Consumer-goods transaction means a consumer transaction in which: (1) an individual incurs an obligation primarily for personal, family, or household purposes; and (2) a security interest in consumer goods secures the obligation. § 409.102(1)(fs).

Consumer transaction means a transaction in which (1) an individual incurs an obligation primarily for personal, family, or household purposes; (2) a security interest secures the obligation; and (3) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions. § 409.102(1)(gg).

Deposit account means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument, like transferable certificates of deposit. § 409.102(1)(h).

Instrument means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment. The term does not include investment property; letters of credit; or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. § 409.102(1)(Lm).

Obligor means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, owes payment or other performance of the obligation; has provided property other than the collateral to secure payment or other performance of the obligation; or is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit. § 409.102(1)(om).

Perfection occurs when a secured party establishes priority in relation to other creditors of the debtor. The most common method of perfecting an interest in collateral is by filing a financing statement with the appropriate public official. Depending on the type of collateral or the interest created, perfection can also occur automatically, by taking possession of the collateral, or by taking control of the collateral. § 409.308(1).

Record, except as used in “for record,” “of record,” “record or legal title,” and “record owner,” means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form. A record need not be permanent or indestructible, but the term does not include any oral or other communication that is not stored or preserved by any means. The information must be stored on paper or in some other medium. Examples of current technologies commercially used to communicate or store information include, but are not limited to, magnetic media, optical discs, digital voice messaging systems, electronic mail, audio tapes, photographic media and paper. § 409.102(1)(r).

Request, within the meaning of § 409.210, means a record referred to in a “request for an accounting,” “request regarding a list of collateral” and “request regarding a statement of account.” § 409.210(1)(a).

“*Request for an Accounting*” means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request. § 409.210(1)(b).

“*Request Regarding a List of Collateral*” means a record authenticated by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request. § 409.210(1)(c).

“*Request Regarding a Statement of Account*” means a record authenticated by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request. § 409.210(1)(d).

ARTICLE 9 OVERVIEW

UCC Article 9 governs transactions that involve the granting of credit secured by personal property of a debtor. The creditor’s interest is called a “security interest.” UCC Article 9 regulates the creation and enforcement of security interests in movable property, intangible property, and fixtures (items of personal property affixed to real property), but not in real property.

Under UCC Article 9, if a debtor defaults, the creditor may repossess and sell the property (generally called collateral) to satisfy the debt. A creditor with a “perfected” security interest usually has “priority” in the distribution of the debtor’s assets as compared to creditors with later-acquired security interests (junior secured creditors) and unsecured creditors.

Before or at the time a security interest is perfected, it must “attach.” Attachment arises when the security interest becomes effective between the creditor and the debtor and usually occurs when their security agreement becomes effective.

Perfection of a security interest establishes the creditor’s priority in relation to other creditors of the debtor in the same collateral and usually occurs with the filing by the creditor of a “financing statement” in a central filing office – in Wisconsin, the Department of Financial Institutions (DFI). The only local filing of financing statements, in the local real estate records, is for security interests in fixtures or in certain land-related collateral such as timber.

“Fixtures” are items of personal property that become physically part of the real estate, and are treated as part of the real estate until severed from it.

Filing a financing statement is not the only method for perfection, depending upon the kind of property that is collateral. Possession of collateral by the secured party is an alternative method of perfection for many kinds of collateral, and “control” is the method of perfection for certain kinds of collateral such as stocks, bonds, and business deposit accounts.

AUTHENTICATION

Revised Article 9 gives legitimacy to transactions consummated through electronic commerce by the concept of “authentication.” No longer is a “signature” on a “writing” required for rights to be asserted or agreements to be enforceable. Instead, Revised Article 9 requires “authentication” of a “record.” For example, Revised Article 9 no longer requires that a security agreement be in writing and be signed, only that a debtor have authenticated a security agreement including a description of the collateral. § 409.203(2)(c)(i).

PERFECTION UNDER ARTICLE 9

Revised Article 9 adds a fourth method (the other three being perfection by possession, perfection by filing and automatic perfection) of perfecting a security interest in certain collateral by adding “control.” Control is the *exclusive* method for perfecting a security interest in a deposit account and letter of credit rights and is permitted for electronic chattel paper and investment property. See the Deposit Accounts section for more about “control.”

Revised Article 9 modifies how a secured party creates and perfects a security interest in crops by introducing the concept of a production-money security interest. §§ 409.1035 and 409.3242.

UCC FINANCING STATEMENTS

Financing statements no longer need to be signed by the debtor prior to filing if an authenticated security agreement authorizes the filing of the financing statement. Furthermore, a financing statement reasonably identifies the collateral if it identifies the collateral by type of collateral – equipment, inventory, general intangibles, etc. – except when the financing statement covers consumer goods (as explained below), and commercial tort claims, a security entitlement, or a security account.

Furthermore, Revised Article 9 clarifies that security interests in instruments, chattel paper, negotiable documents or investment property may be perfected by filing a properly completed financing statement. § 409.312(l).

The UCC 1 - Financing Statement is the usual means of perfection for most non-titled personal property. If additional pages are needed, use the UCC 1Ad - Initial Financing Statement Addendum.

Revised Article 9 calls for non-real estate related UCC financing statements, including those relating to consumer goods, to be filed with DFI rather than Registers of Deeds as of July 1st, 2001. Some local registers of deeds may act as agents of the DFI, allowing them to accept filings on behalf of the statewide lien system.

The UCC 3 - Financing Statement Amendment is used for terminations, continuations, assignments, and for certain amendments (name or address of either party). If you need additional space, you are encouraged to use the UCC 3Ad - Financing Statement Amendment Addendum.

The UCC 11 - Information Request form is used to request searches, certificates, and copies of UCC filings. Searches may also be conducted online at <https://dccc.wdfl.org/>.

A UCC Correction Statement is available for use by a debtor who claims that a record filed under their name is inaccurate or wrongfully filed.

The previously issued UCC 4 form is eliminated.

Paper filing

Credit unions may use the free versions of UCC forms available online at <http://www.wdfl.org/ucc/forms.htm>. The online forms are in .PDF format and include the official instructions. They may be used online or may be saved to disk and used offline. Although the forms cannot actually be filed online, they may be completed electronically, then printed and filed by mail.

Electronic filing

Credit Unions may file original, non-real estate, UCC lien filings via the Internet at www.wdfl.org/ucc/ using “UCC Online File”.

The UCC Online File allows filing documents in real time; the document will receive a date and time stamp the moment it is received by the DFI. The Credit Union will receive an e-mail confirmation.

UCC Online File is available to anyone who has access to the Internet, an e-mail address, and the use of a Visa or MasterCard credit card. The cost for electronic filing is 50% of the cost of filing a paper based original filing.

Uniform Commercial Code Filing Fees are posted on the State of Wisconsin Department of Financial Institutions website at <http://www.wdfl.org/ucc/forms.htm>.

2012 AMENDMENTS

Further changes were made to Article 9 in 2012. Among the 2012 changes to UCC Article 9 are the following:

The new law made modifications with respect to how a debtor’s name must be identified on a financing statement. Most significantly, if the debtor is an individual to whom the Department of Transportation (DOT) has issued an operator’s license or identification card that has not expired, the financing statement, to be sufficient, must provide the name of the individual as it appears on the operator’s license or identification card. If the debtor is an individual who does not hold an unexpired DOT-issued operator’s license or identification card, the financing statement must provide the individual name of the debtor or the surname and first personal name of the debtor. The new law also made changes as to how the debtor’s name must appear on a financing statement whenever collateral is held in a trust and also requires certain additional information on the financing statement if collateral is held in a trust or is being administered by a personal

representative. The law made other modifications or clarifications relating to how debtor names must appear on financing statements.

The new law includes provisions applicable to the filing of a financing statement when the debtor has changed location to a new state and a security interest attaches within four months after this change of location. The law specifies circumstances in which a financing statement filed before the change of location under the law of the original state is effective to perfect a security interest and specifies when the security interest remains perfected under the law of the new state. The law also includes provisions applicable if a financing statement naming an original debtor is filed under the law of the original state where the debtor was located and a new debtor is located in a new state. The law specifies circumstances in which a financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four months after, the new debtor becomes bound by the security agreement and specifies when the security interest remains perfected under the law of the new state.

If a person believes that a filed record indexed under the person's name is inaccurate or was wrongfully filed, the person may file an information statement. A secured party of record may file an information statement, containing certain information, relating to a filed record if the secured party believes that the person that filed the record was not entitled to file it.

DEPOSIT ACCOUNTS

The scope of Revised Article 9 broadened in 2001 to include new kinds of collateral and new types of transactions. Collateral now covered by Revised Article 9 includes commercial tort claims, deposit accounts, electronic chattel paper, health care insurance receivables, letter of credit rights, payment intangibles, and standing timber. Deposit accounts are covered by Revised Article 9, but only in a *non-consumer transaction*. Therefore, in consumer transactions credit unions will not be able to rely on the rules in Revised Article 9 to perfect a security interest in a deposit account. Credit unions, instead, will be left to rely on a common law security interest sometimes referred to as a "consensual security interest" (assuming the credit union's loan documentation gives the credit union a consensual security interest), which may or may not be enforceable, and the credit union's statutory lien and setoff right. Fortunately, Revised Article 9 does recognize the priority of a depository bank's common law right of setoff against a third party with a security interest in a deposit account (except in those situations where the third party has titled the account in its name).

To the extent a credit union desires to take a security interest in a deposit account in a commercial transaction, it must take "control" of the deposit account. The secured party has "control" within the meaning of Revised Article 9 if (1) it is the bank with which the deposit account is maintained, (2) the debtor, secured party and bank have agreed that the bank will comply with instructions originated by the secured party directing disposition of the funds in the account without further consent by the debtor (a control agreement) or (3) the secured party becomes the bank's customer with respect to the account (the account is put in the secured party's name). If those requirements are satisfied, a secured party has control under Revised Article 9 even if the debtor retains the right to direct the disposition of funds from the deposit account.

It is important to note that Revised Article 9 does not address how non-transferable certificates of deposit should be classified. Transferable certificates of deposit should be classified as "instruments" and perfected by taking possession or filing a financing statement. A non-transferable certificate of deposit should be classified either as a deposit account or as an instrument.

- To the extent a non-transferable certificate of deposit is classified as a deposit account, Revised Article 9 in a non-consumer transaction will require control for perfection (Revised Article 9 does not apply to a deposit account taken as collateral in a consumer transaction).
- If a non-transferable certificate of deposit is classified as an "instrument," a security interest must be perfected by taking possession or by filing a financing statement.

ADDITIONAL RIGHTS OF DEBTORS

Article 9 provides some consumer protections in transactions in which the debtor (typically, the owner of the collateral) is a consumer. Enforcement of a security interest that is included in a consumer transaction is handled differently in certain respects. Examples of consumer provisions are:

- a consumer cannot waive redemption rights in a financing agreement;
- a consumer buyer of goods who prepays, in whole or in part, has an enforceable interest in the purchased goods and may obtain the goods as a remedy;

- a consumer is entitled to disclosure of the amount of any deficiency assessed against him or her, and the method for calculating the deficiency; and
- a secured creditor may not accept collateral as partial satisfaction of a consumer obligation, so that choosing strict foreclosure as a remedy means that no deficiency may be assessed against the debtor.

A security agreement covering consumer goods must describe the collateral with more specificity than a broad reference to “consumer goods.” Instead the security agreement should describe the consumer goods — for example, “Gateway Computer Model No. 444.”

Requests for accounting, list of collateral, or statement of account

Under the UCC, the debtor (i.e., the owner of UCC collateral) has the right under Revised Article 9 to request certain information from a secured party. See § 409.210.

The credit union must honor any of the three following requests it may receive from the debtor who owns the collateral:

- “Request for an accounting” means a record authenticated by a debtor requesting that the recipient (i.e., the CU) provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.
- “Request regarding a list of collateral” means a record authenticated by a debtor requesting that the recipient (i.e., the CU) approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.
- “Request regarding a statement of account” means a record authenticated by a debtor requesting that the recipient (i.e., the CU) approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

A secured party has 14 days after receipt to authenticate and send an accounting in the case of a request for an accounting, and to authenticate and send an approval or correction in the case of a request regarding a statement of account or a request regarding a list of collateral. A debtor is entitled without charge to one response to such request during any six-month period. A secured creditor may charge up to \$25 for each additional response. A “request” need not be in writing and could include messages sent via e-mail or left on a digital voice recording system.

Failure to comply with such requests could subject a secured party to damages in the amount of any loss caused by the secured party’s failure to comply. Loss caused by a failure to comply may include loss resulting from the debtor’s inability to obtain, or increased costs of, alternate financing. To the extent a secured party fails to respond to the request regarding a list of collateral or a request regarding a statement of account, the secured party may claim a security interest only as shown on the statement included in the request against a person that is reasonably misled by the failure. Exhibit D of this release provides a sample form for responding to the various requests.

Notice before disposition of collateral (Wis. Stats. § 409.611 through § 409.614)

Before selling repossessed or surrendered collateral the credit union must send an authenticated notice of disposition of collateral to the debtor, any secondary obligor, and, if the collateral is other than consumer goods, certain secured parties, lienholders, and secured parties who have notified the secured party of an interest in the collateral.

The notice of disposition must be sent a “reasonable time” before disposition. What is reasonable depends on the facts and circumstances in the particular situation if the collateral is consumer goods. If it is business collateral, it is reasonable to send the notice of disposition after default and at least 10 days before the earliest time of disposition set forth in the notice.

- In the case of collateral other than consumer goods, that notice should take the form of the notice set out in Exhibit A of this release, entitled Notice of Disposition of Collateral (Non-Consumer Goods Transaction).
- In the case of disposition of consumer goods, the notice of disposition of collateral must be sent to the debtor and any secondary obligor and should take the form of the notice set out in Exhibit B of this release, entitled Notice of Our Plan To Sell Property (Consumer Goods Transaction).

Explanation of calculation of surplus or deficiency (§ 409.616)

After default and disposition of the collateral in a consumer goods transaction, if a debtor is entitled to a surplus or liable for a deficiency, a secured creditor must either:

- Send an “Explanation of Calculation of Surplus or Deficiency” after the disposition, before or when it pays any surplus or first makes written demand for payment of a deficiency, and within 14 days after receipt of a request; or
- Send a record waiving the secured party’s right to a deficiency within 14 days after receipt of a request, a consumer who is liable for a deficiency.

The explanation must state the amount of the surplus or deficiency, explain how the deficiency was calculated, explain whether future charges or interest could impact the balance and provide a telephone number or mailing address from which additional information concerning the transaction is available. See Exhibit C of this release for a sample “Explanation of Calculation of Surplus or Deficiency,” and use the following as a guide for proper completion:

The explanation must consist of a writing that:

1. States the amount of the surplus or deficiency;
2. Provides an explanation of how the secured party calculated the surplus or deficiency as provided below, in the order stated:
 - (a) The aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:
 1. If the secured party takes or receives possession of the collateral after default, not more than 35 days before the secured party takes or receives possession; or
 2. If the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than 35 days before the disposition;
 - (b) The amount of proceeds of the disposition;
 - (c) The aggregate amount of the obligations after deducting the amount of proceeds;
 - (d) The amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorney fees secured by the collateral which are known to the secured party and relate to the current disposition;
 - (e) The amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in par. (a); and
 - (f) The amount of the surplus or deficiency.
3. States, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and
4. Provides a telephone number or mailing address from which additional information concerning the transaction is available.

UCC SEARCHES ONLINE

Non-real estate UCC file searches are now available via the Internet for free. The service is made available through DFI’s website at <https://dcss.wdfi.org/>. Although Debtor Name and File Number searches are free of charge; DFI charges a small fee for images of documents contained in the database.

* * * * *

League publications are designed to provide accurate information with regard to the subject matter covered, with the understanding that The League does not render legal services. If you have general questions regarding this release, please call The League at (608) 640-4050 if local or (800) 242-0833. For specific legal advice, please consult your credit union's attorney.

Legal Affairs Department

JCE/jb

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EXHIBITS:

- A. Notice of Disposition of Collateral (Non-Consumer Goods Transaction)
- B. Notice of Our Plan to Sell Property (Consumer Goods Transaction)
- C. Explanation of Calculation of Surplus or Deficiency
- D. Response to UCC Article 9 Requests

EXHIBIT A: NOTICE OF DISPOSITION OF COLLATERAL (NON-CONSUMER GOODS TRANSACTION)

TO: *[Name of debtor, obligor, or other person to which the notification is sent]*

FROM: *[Name, address, and telephone number of secured party]*

NAME(S) OF DEBTOR(S): *[Include only if debtor(s) are not an addressee]*

[For a public disposition:]

We will sell *[or lease or license, as applicable]* the . . . *[describe collateral]* *[to the highest qualified bidder]* in public as follows:

Day and Date: _____

Time: _____

Place: _____

[For a private disposition:]

We will sell *[or lease or license, as applicable]* the . . . *[describe collateral]* privately sometime after . . . *[day and date]*.

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell *[or lease or license, as applicable]* *[for a charge of \$. . .]*. You may request an accounting by calling us at . . . *[telephone number]*.

Credit Union

BY: _____
Signature of Authorized Party

Name & Title

EXHIBIT B: NOTICE OF OUR PLAN TO SELL PROPERTY (CONSUMER GOODS TRANSACTION)

NOTICE OF OUR PLAN TO SELL PROPERTY

[Name and address of secured party]

[Date]

[Name and address of any obligor who is also a debtor]

Subject: [Identification of transaction]

We have your . . . [describe collateral], because you broke promises in our agreement.

[For a public disposition:]

We will sell . . . [describe collateral] at public sale. A sale could include a lease or license. The sale will be held as follows:

Day and Date: _____

Time: _____

Place: _____

You may attend the sale and bring bidders if you want.

[For a private disposition:]

We will sell . . . [describe collateral] at private sale sometime after . . . [date]. A sale could include a lease or license.

The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you owe, you . . . [will or will not, as applicable] still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

You can get the property back at any time before we sell it by paying us the full amount you owe (not just the past-due payments), including our expenses. To learn the exact amount you must pay, call us at . . . [telephone number].

If you want us to explain to you in writing how we figured the amount that you owe us, you may call us at . . . [telephone number] [or write us at . . . (secured party's address)] and request a written explanation. [We will charge you \$. . . for the explanation if we sent you another written explanation of the amount you owe us within the last 6 months.]

If you need more information about the sale, call us at . . . [telephone number] [or write us at . . . (secured party's address)].

We are sending this notice to the following other people who have an interest in . . . [describe collateral] or who owe money under your agreement:

[Names of all other debtors and obligors, if any]

Credit Union

BY: _____
Signature of Authorized Party

Name & Title

EXHIBIT C: EXPLANATION OF CALCULATION OF SURPLUS OR DEFICIENCY

[Name and address of credit union – phone number not recommended]

EXPLANATION OF CALCULATION OF SURPLUS OR DEFICIENCY

Date: *[Insert date of notice]*

To: *[Name and address of debtor or consumer obligor]*

Subject: *[Identification of transaction]*

1. We have disposed of the collateral in the transaction identified above. There is now a ☐ surplus) ☐ deficiency) of \$_____. Here is how we calculated the surplus or deficiency:
 - a. Aggregate amount of obligations secured by the security interest as of _____.¹ \$_____

☐ This amount reflects a rebate of unearned interest or credit service charges.
 - b. Amount of proceeds of the disposition is: – _____
 - c. Aggregate amount of obligations after deducting proceeds: = \$ _____
 - d. Amounts and types of expenses relating to current disposition of the collateral:²

	+	
	+	
	+	
 - e. Amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which you are known to be entitled and which are not reflected in the amount in item a: – _____
 - f. **The amount of your ☐ surplus or ☐ deficiency is:** = \$ _____

☐ Future debits, credits, charges including additional credit service charges or interest, rebates, and expenses may affect the amount of the above surplus or deficiency.

The following instructional footnotes are for credit union use only. Do not print them on the final form.

¹ Specify the date used for this calculation. If the credit union takes or receives possession of the collateral after default, base the calculation on a date not more than 35 days before the credit union takes or receives possession. But if the credit union takes or receives possession of the collateral before default or does not take possession of the collateral, base the calculation on a date not more than 35 days before the disposition.

² List permitted expenses for retaking, holding, preparing for disposition, processing, and disposing of the collateral. Attorney fees are not permitted on a Wisconsin Consumer Act transaction unless provided for in a court order.

EXHIBIT D: RESPONSE TO UCC ARTICLE 9 REQUESTS

[Credit union letterhead, with name and address]

DATE: *[Send this response within 14 days of receipt of authenticated request; be sure to include cross-collateralized loans when completing responses to requests.]*

TO: *[Name and address of debtor or consumer obligor]*

SUBJECT: *[Identification of transaction]*

We have received your request for information. Our response is indicated by the checkboxes below:

☐ **RESPONSE TO REQUEST FOR AN ACCOUNTING:**

☐ The total of your unpaid obligations secured by *[identify collateral]* as of *[identify date within 35 days before or after the date of the response]* is \$ _____.
This total amount consists of the following:

Loan No. _____ \$ _____
Loan No. _____ \$ _____
Loan No. _____ \$ _____

☐ We no longer have a legal interest in the obligations. ☐ The name and address of the assignee or successor to our interest, if known to us is: _____

☐ **RESPONSE TO REQUEST REGARDING A LIST OF COLLATERAL:**

Our response to your list of what you believe to be the collateral securing your obligation with the credit union is as follows:

☐ Your list is approved as submitted.

☐ Your list is corrected as follows: _____

☐ **RESPONSE TO REQUEST REGARDING A STATEMENT OF ACCOUNT** of what you believe to be the aggregate amount of unpaid obligations secured by collateral as of _____.

☐ Your statement of account is approved as submitted.

☐ Your statement of account is approved as follows: _____

☐ We no longer have a legal interest in the obligations. ☐ The name and address of the assignee or successor to our interest, if known to us, is: _____

_____ Credit Union

BY: _____
Signature of Authorized Party

Name & Title