

**RULES
OF
THE TENNESSEE DEPARTMENT OF STATE
DIVISION OF BUSINESS SERVICES**

**CHAPTER 1360-8-1
UNIFORM COMMERCIAL CODE
GENERAL PROVISIONS**

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1360-8-1-.01 POLICY STATEMENT.

- (1) The administration of the UCC has an important impact on the economy and upon the rights of the public, in this state and in the United States. The volume of international, interstate and multistate transactions pursuant to the UCC requires that the administration of the UCC be conducted in a manner that promotes both local and multi-jurisdictional commerce by striving for uniformity in policies and procedures among the various states.
- (2) Pursuant to T.C.A. §47-9-526, enacted as part of the revision of UCC Article 9 under Chapter 846 of the Tennessee Public Acts of 2000, the interpretation and implementation of the filing office's duties and responsibilities shall be expressed in a written set of administrative rules, which the public shall have a voice in creating. Such rules have the following purposes:
 - (a) To simplify and improve the administration of the UCC by promoting uniform UCC filing procedures in this state and in the nation;
 - (b) To simplify the public's ability to discover and understand the UCC filing procedures of the various states by establishing a uniform framework for describing the procedures;
 - (c) To increase public access to information;
 - (d) To increase public participation in the formulation of administrative policy and procedures; and
 - (e) To increase public accountability of the filing officer.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.02 DEFINITIONS.

- (1) The following terms shall have the respective meanings provided in this rule. Terms not defined in this rule which are defined in the UCC shall have the respective meanings accorded such terms in the UCC, except as the context otherwise clearly requires.
 - (a) "Amendment" means a UCC document that purports to amend the information contained in a financing statement. Amendments include assignments, continuations and terminations.

(Rule 1360-8-1-.02, continued)

- (b) “Assignment” is an amendment that purports to reflect an assignment of all or a part of a secured party’s power to authorize an amendment to a financing statement.
- (c) “Continuation” means an amendment that purports to continue the effectiveness of a financing statement.
- (d) “Correction statement” means a UCC document that purports to indicate that a financing statement is inaccurate or wrongfully filed.
- (e) “File number” means the unique identifying information assigned to an initial financing statement by the filing officer for the purpose of identifying the financing statement and UCC documents relating to the financing statement in the filing officer’s information management system. For a financing statement with an initial financing statement filed on or prior to December 31, 1999, the file number includes three segments: the year of filing expressed as a two digit number; an internal control number expressed as a single digit number; and a six digit identification number. For a financing statement with an initial financing statement filed on or after January 1, 2000, the file number includes three segments: an internal control number expressed as a single digit number; the year of filing expressed as a two digit number; and a six digit identification number. For a financing statement with an initial financing statement filed on or after January 1, 2002, the file number may instead include three segments: the year of filing expressed as a two or four digit number; a unique six digit number assigned to the financing statement by the filing office; and a one or two digit verification number assigned by the filing office but algorithmically derived from the numbers in the other two segments. The filing number bears no relation to the time of filing and is not an indicator of priority.
- (f) “Filing office” and “filing officer” mean the Tennessee Secretary of State, Division of Business Services.
- (g) “Financing statement” means an initial financing statement and all UCC documents that relate to the initial financing statement.
- (h) “Individual” means a human being, or a decedent in the case of a debtor that is such decedent’s estate.
- (i) “Initial financing statement” means a UCC document containing the information required to be in an initial financing statement pursuant to chapter 1360-8-2 of these rules which, when filed, causes the filing office to establish the initial record of the existence of a financing statement in the filing office’s UCC information management system.
- (j) “Organization” means a legal person who is not an individual under rule 1360-8-1-.02(h).
- (k) “Remitter” means a person who tenders a UCC document to the filing officer for filing, whether the person is a filer or an agent of a filer responsible for tendering the document for filing. “Remitter” does not include a person responsible merely for the delivery of the document to the filing office, such as the postal service or a courier service but does include a service provider who acts as a filer’s representative in the filing process.
- (l) “Secured party of record” means, with respect to a financing statement, a secured party or representative of a secured party named on the initial financing statement or, if an assignee is designated on the initial financing statement, instead shall mean the secured party or representative named as such assignee, and shall mean each other secured party or secured party representative named as an additional or substitute secured party on any amendment. Revised Article 9 provides that a person remains a secured party of record until the authorized filing of

(Rule 1360-8-1-.02, continued)

an amendment indicating that the person is no longer a secured party or secured party representative. However, as the filing officer cannot determine if such an amendment is in fact authorized under T.C.A. §47-9-520, a secured party of record on a financing statement is never deleted from the filing officer's information management system until the financing statement lapses.

- (m) "Termination" means an amendment intended to indicate that the related financing statement has ceased to be effective with respect to the secured party authorizing the termination.
- (n) "UCC" means the Uniform Commercial Code as adopted in this state and in effect from time to time.
- (o) "UCC document" means an initial financing statement, an amendment, an assignment, a continuation, a termination or a correction statement. The word "document" in the term "UCC document" shall not be deemed to refer exclusively to paper or paper-based writings, it being understood that UCC documents may be expressed or transmitted electronically or through media other than such writings. (Note: this definition is used for the purpose of these rules only. The use of the term "UCC document" in these rules has no relation to the definition of the term "document" in T.C.A. §47-9-102(a)(30).

Authority: T.C.A. §§4-5-202, 4-5-204, 47-9-102, 47-9-520, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.03 SINGULAR AND PLURAL FORMS.

- (1) Singular nouns shall include the plural form, and plural nouns shall include the singular form, unless the context requires otherwise.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.04 PLACE TO FILE.

- (1) The filing office is the office for filing UCC documents relating to all types of collateral except for timber to be cut, as-extracted collateral (T.C.A. §47-9-102(a)(6)) and, when the relevant financing statement is filed as a fixture filing, goods which are or are to become fixtures.

Authority: T.C.A. §§4-5-202, 4-5-204, 47-9-501, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.05 FILING OFFICE IDENTIFICATION.

- (1) In addition to the promulgation of these rules, the filing office will disseminate information of its location, mailing address, telephone and fax numbers, and its internet and other electronic "addresses" through usual and customary means.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.06 OFFICE HOURS.

- (1) Although the filing office maintains regular office hours, it may receive transmissions electronically and by telecopier 24 hours per day, 365 days per year, except for scheduled maintenance and unscheduled interruptions of service. Electronic communications may be retrieved and processed

(Rule 1360-8-1-.06, continued)

periodically (but no less often than once each day the filing office is open for business) on a batch basis.

Authority: *T.C.A. §§4-5-202, 4-5-204, and 47-9-526. Administrative History: Original rule filed October 23, 2000; effective January 6, 2001.*

1360-8-1-.07 UCC DOCUMENT DELIVERY.

- (1) UCC documents may be tendered for filing at the filing office as follows.
 - (a) Personal delivery, at the filing office's street address. The file time for a UCC document delivered by this method is when delivery of the UCC document is accepted and received by the filing office (even though the UCC document may not yet have been accepted for filing and subsequently may be rejected).
 - (b) Courier delivery, at the filing office's street address. The file time for a UCC document delivered by this method is, notwithstanding the time of delivery, at the earlier of the time the UCC document is received by the filing office (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected), or the next close of business following the time of delivery. A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing time at the earlier of the time the UCC document is received by the filing office on the next day the office is open for business, or the close of business on the next day the filing office is open for business.
 - (c) Postal service delivery, to the filing office's mailing address. The file time for a UCC document delivered by this method is, notwithstanding the time of delivery, at the earlier of the time the UCC document is received by the filing office (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected), or the next close of business following the time of delivery. A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing at the earlier of the time the UCC document is received by the filing office on the next day the office is open for business, or the close of business on the next day the filing office is open for business.
 - (d) Electronic mail and telecopier delivery (if and when operational), to the filing office's e-mail address or the filing office's fax filing telephone number. The file time for a UCC document delivered by this method is, notwithstanding the time of delivery, at the earlier of the time the UCC document is received (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected), or the next close of business following the time of delivery. A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing at the earlier of the time the UCC document is received by the filing office on the next day the office is open for business, or the close of business on the next day the filing office is open for business.
 - (e) Electronic data interchange (EDI) (if and when operational). UCC documents may be transmitted electronically using the ANSI X12 154 transmission standard as described in rules 1360-8-3-.40 et seq. The file time for a UCC document delivered by this method is the time that the filing office's EDI system analyzes the relevant transmission and determines that all the required elements of the transmission have been received in a required format and are machine-readable.
 - (f) Direct on-line and web page data entry (if and when operational). UCC documents may be entered on-line as described in rules 1360-8-3-.70 et seq. The file time for a UCC document delivered by this method is the time that all required elements of the UCC document have been

(Rule 1360-8-1-.07, continued)

entered into the filing office's direct on-line entry system in the proper format and such entry is acknowledged by such system.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.08 SEARCH REQUEST DELIVERY.

- (1) UCC search requests may be delivered to the filing office by any of the means by which UCC documents may be delivered to the filing office. Requirements concerning search requests are set forth in rule 1360-8-5-.01 et seq. UCC search requests upon a debtor named on an initial financing statement may be made by an appropriate indication on the face of the initial financing statement form if the form is entitled to be filed. The filing office may require that the relevant search fee be tendered with the initial financing statement.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.09 DOCUMENT FORM REQUIREMENTS.

- (1) UCC initial financing statements and amendment documents in written form shall conform to the form requirements specified in TCA §47-9-521, or to any other national form requirements adopted after July 1, 2001, by the International Association of Commercial Administrators, and, if applicable, shall include the statutory language required in TCA §67-4-409(b)(5)(C).
- (2) UCC documents transmitted electronically (if and when operational) must meet the ANSI X12 154 standard and the procedures set forth in rules 1360-8-3-.40 et seq.

Authority: T.C.A. §§4-5-202, 4-5-204, 47-9-521, 47-9-526, and 67-4-409(b). **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001. Amendment filed October 25, 2002; effective February 28, 2003.

1360-8-1-.10 SEARCH FORM REQUIREMENTS.

- (1) UCC search requests shall be submitted in a format that contains the information required by rule 1360-8-5-.02 and that clearly conveys the scope of the requested search. A search form may be published by the filing office but shall not be required as a condition of processing a search request.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.11 RESERVED.

1360-8-1-.12 FILING FEES.

- (1) The following filing fees apply to UCC documents communicated in writing:
 - (a) The fee for filing and indexing an initial financing statement is fifteen dollars (\$15) per debtor, plus fifty cents (50¢) per page in excess of ten pages. Each different address listed for a debtor is treated as a separate debtor for filing and indexing purposes.
 - (b) The fee for filing and indexing a financing statement amendment that changes, modifies, deletes or adds one or more debtors is fifteen dollars (\$15) per debtor/debtor address changed, modified, deleted or added, plus fifty cents (50¢) for each page in excess of ten (10) pages.

(Rule 1360-8-1-12, continued)

- (c) The fee for filing and indexing a financing statement amendment that amends the collateral description, or changes, deletes, modifies or adds a secured party is fifteen dollars (\$15), plus fifty cents (50¢) for each page in excess of ten (10) pages.
- (d) The fee for filing and indexing each assignment, continuation, termination, or correction statement is fifteen dollars (\$15), plus fifty cents (50¢) per page for each page in excess of ten (10) pages.
- (2) The fee for filing and indexing UCC documents communicated by a medium other than a writing authorized by these rules will be established if and when such services become available.
- (3) Reserved.
- (4) UCC search fee. The fee for responding to a written request for information from the filing office, including for issuing a certificate showing whether there is on file any financing statement naming a particular debtor, is fifteen dollars (\$15). The fee for filing and indexing a UCC search request communicated by a medium other than a writing authorized by these rules will be established if and when such services become available.
- (5) UCC search - copies. The fee for UCC search copies is one dollar (\$1) per page (or page equivalent for electronically transmitted search responses).
- (6) In addition to the fees described above, tax may be payable under T.C.A. §67-4-409(b) upon the filing of a financing statement. The filing office may accept the representation on the financing statement, or in an accompanying sworn statement, of the amount of the maximum principal indebtedness for recording tax purposes, and need not verify the computation of the amount of such tax. The amount tendered to the filing office shall be applied first to the filing fee and then to any tax imposed on the filing.

Authority: T.C.A. §§4-5-202, 4-5-204, 47-9-525, 47-9-526, and 67-4-409(b). *Administrative History:* Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-13 RESERVED.

1360-8-1-14 METHODS OF PAYMENT.

- (1) Filing fees and fees for public records services may be paid by the following methods:
 - (a) Cash. The filing officer discourages cash payment unless made in person to the cashier at the filing office.
 - (b) Checks. Checks made payable to the Tennessee Secretary of State.
 - (c) Electronic funds transfer (if and when operational). The filing office may accept payment via electronic funds transfer under National Automated Clearing House Association (“NACHA”) rules from remitters who have entered into appropriate NACHA-approved arrangements for such transfers and who authorize the relevant transfer pursuant to such arrangements and rules.
 - (d) Prepaid account (if and when operational). A remitter may open an account for prepayment of filing fees by submitting an application furnished by the filing officer. Fees may be prepaid in amounts not less than \$500. The filing officer shall issue an account number to be used by a remitter who chooses to pay filing fees in advance. The filing officer shall deduct filing fees

(Rule 1360-8-1-.14, continued)

from the remitter's prepaid account when authorized to do so by the remitter and in accordance with guidelines provided by the filing office to the remitter.

- (e) Debit cards (if and when operational). The filing office may accept payment by debit cards issued by approved debit card issuers. A current list of approved debit card issuers is available from the filing office. Remitters shall provide the filing officer with the card number, the expiration date of the card, the name of the approved card issuer, the name of the person or entity to whom the card was issued and the billing address for the card. Payment will not be deemed tendered until the issuer or its agent has confirmed to the filing office that payment will be forthcoming.
- (f) Credit card (if and when operational). The filing office may accept payment by the following credit cards issued by approved credit card issuers: the current list of approved credit card issuers is available from the filing office. Remitters shall provide the filing officer with the card number, the expiration date of the card, the name of the approved card issuer, the name of the person or entity to whom the card was issued and the billing address for the card. Payment will not be deemed tendered until the issuer or its agent has confirmed to the filing office that payment will be forthcoming.
- (g) Reserved.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.15 OVERPAYMENT AND UNDERPAYMENT POLICIES.

- (1) Overpayment. The filing officer may issue a credit voucher to the remitter for an overpayment exceeding \$10. The filing officer shall refund any overpayment upon the written request of the remitter, provided that the remitter submits such a request within six months of the time the overpayment was made.
- (2) Underpayment. Upon receipt of a document with an insufficient payment, the filing officer shall return the document to the remitter as provided in rule 1360-8-2-.06. A credit voucher for the partial payment may be included with the document or delivered under separate cover.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-.16 PUBLIC RECORDS SERVICES.

- (1) Public records services are provided on a non-discriminatory basis to any member of the public on the terms described in these rules. The following methods are available for obtaining copies of UCC documents and copies of data from the UCC information management system.
 - (a) Individually identified documents. Copies of individually identified UCC documents are available in paper form; provided, further, copies of individually identified UCC documents may be provided in other media if available and practicable.
 - (b) Bulk copies of documents. Bulk copies of UCC documents are available in paper form; provided, further, bulk copies of UCC documents may be provided in other media if available and practicable.
 - (c) Data from the information management system. As soon as practicable, a list of available data elements from the UCC information management system, and the file layout of the data

(Rule 1360-8-1.16, continued)

elements, will be provided by the filing office upon request. Data from the information management system may include the following:

1. Full extract. A bulk data extract of information from the UCC information management system, available on a least a weekly basis.
 2. Update extracts. Updates of information from the UCC information management system, available on at least a weekly basis.
 3. Format. Extracts from the UCC information management system, available in formats as determined by the Information Systems Division of the Department of State.
- (d) Direct on-line services. On-line services make UCC information available on a subscription basis. If such a subscription service is available, a description of the service will be provided by the filing office upon request.

Authority: T.C.A. §§4-5-202, 4-5-204, 47-9-523(f), and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-17 FEES FOR PUBLIC RECORDS SERVICES.

- (1) Fees for public records services are established as follows:
 - (a) Paper copies of individual documents: as provided in rules 1360-8-1-12 (4) and (5). Fees for copies furnished in other media will be established if and when such services become available.
 - (b) Bulk copies of documents: as provided in rules 1360-8-1-12 (4) and (5). Fees for copies furnished in other media will be established if and when such services become available.
 - (c) Data from the information management system. Fees will be established if and when such services become available.
 - (d) Third party on-line services. Fees will be established if and when such services become available.

Authority: T.C.A. §§4-5-202, 4-5-204, 47-9-523(f), 47-9-525(c), and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-18 NEW PRACTICES AND TECHNOLOGIES.

- (1) The filing officer is authorized to adopt practices and procedures to accomplish receipt, processing, maintenance, retrieval and transmission of, and remote access to, Article 9 filing data by means of electronic, voice, optical and/or other technologies, and, without limiting the foregoing, to maintain and operate, in addition to or in lieu of a paper-based system, a non-paper-based Article 9 filing system utilizing any of such technologies. In developing and utilizing technologies and practices, the filing officer shall, to the greatest extent feasible, take into account compatibility and consistency with, and whenever possible be uniform with, technologies, practices, policies and regulations adopted in connection with Article 9 filing systems in other states.

Authority: T.C.A. §§4-5-202, 4-5-204, and 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-1-19 EFFECTIVE DATE.

- (1) The rules established in Chapter 1360-8 shall become effective on July 1, 2001.

Authority: *T.C.A. §§4-5-202, 4-5-204, and 47-9-526. Administrative History: Original rule filed October 23, 2000; effective January 6, 2001.*