

**DEPARTMENT OF STATE**  
**OFFICE OF CUSTOMER SERVICES**

**UNIFORM COMMERCIAL CODE FILING OFFICE**

(By authority conferred on the department of state by section 9526 of 2000 PA 348, MCL 440.9526)

**PART 1. GENERAL PROVISIONS**

**R 440.101 Duties and responsibilities of filing officer.**

Rule 101. The duties and responsibilities of the filing officer with respect to the administration of the UCC are ministerial. In accepting for filing or refusing to file a financing statement pursuant to these rules, the filing officer does none of the following:

- (a) Determine the legal sufficiency or insufficiency of a record.
- (b) Determine that a security interest in collateral exists or does not exist.
- (c) Determine that information in the record is correct or incorrect, in whole or in part.
- (d) Create a presumption that information in the record is correct or incorrect, in whole or in part.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.102 Definitions.**

Rule 102. (1) As used in these rules:

(a) "Amendment" has the meaning given it in UCC section 9512. Amendments include assignments, continuations, and terminations.

(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) "Correction statement" means a record that indicates, under UCC section 9518, that a financing statement is inaccurate or wrongfully filed.

(d) "File number" means the unique identification number assigned to an initial financing statement by the filing officer for the purpose of identifying the initial financing statement and permanently associating the initial financing statement with all financing statements related to it in the UCC information management system. The filing number bears no relation to the time of filing and is not an indicator of priority.

(e) "Filing office" and "filing officer" mean the UCC section of the office of secretary of state or its successor.

(f) "Individual" means a human being, or a decedent in the case of a debtor that is the decedent's estate.

(g) "Initial financing statement" means a financing statement containing the information required by UCC section 9502, which, when filed, creates the initial record in the UCC information management system.

(h) "Remitter" means a person who tenders a financing statement to the filing officer for filing, whether the person is a filer or an agent of a filer responsible for tendering the record for filing. "Remitter" does not include a person responsible merely for the delivery of the financing statement 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.

(i) "Request for expediting" means a search request to provide a search report on the day of the inquiry.

(j) "UCC" means the uniform commercial code as adopted in this state and in effect from time to time.

(k) "UCC information management system" means the information management system used by the filing officer to store, index, and retrieve information relating to financing statements.

(l) "Unique identification number" or "identification number" means a number that includes the year of filing expressed as the first 4 digits of a unique number assigned to the financing statement by the filing office and a 1<sup>st</sup> digit verification number, to be referred to as a check digit, assigned

by the filing office, but mathematically derived from other numbers in the unique number.

(2) A word or term defined in the UCC has the same meaning when used in these rules.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.103 Financing statement delivery.**

Rule 103. Financing statements may be tendered for filing at the filing office as follows:

(a) By personal delivery at the filing office's street address.

(b) By courier delivery at the filing office's street address.

(c) By postal service delivery to the filing office's mailing address.

(d) When made available by the filing office, by electronic transmission to the filing office in a manner prescribed by the filing officer using a standard approved by the international association of corporation administrators and adopted by the filing officer.

(e) By telefacsimile delivery to the filing office's fax filing telephone number.

(f) When made available by the filing office, by direct on-line or web page data entry transmission to the filing office in a manner prescribed by the filing officer.

(g) By e-mail delivery to the filing office's e-mail address.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.104 Search request delivery.**

Rule 104. (1) UCC search requests may be delivered to the filing office by any of the means by which financing statements may be delivered to the filing office. A request for expediting may also be delivered by telephone.

(2) 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.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.105 Approved forms.**

Rule 105. (1) The following forms are approved for filing a written initial financing statement or a written financing statement amendment:

(a) An initial financing statement form as prescribed in UCC section 9521(1).

(b) A financing statement amendment form as prescribed in UCC section 9521(2).

(c) An initial financing statement form or financing statement amendment form approved by the international association of corporate administrators after July 1, 2001.

(d) An initial financing statement form or financing statement amendment form approved by the national conference of commissioners on uniform state laws after July 1, 2001.

(e) An initial financing statement form or financing statement amendment form approved by the filing officer after July 1, 2001.

(f) If and when operational as determined by the filing officer, an initial financing statement or financing statement amendment transmitted electronically as prescribed by the filing officer.

(2) The additional filing fee provided in UCC section 9525(1)(a) shall not apply to a written initial financing statement or a written financing statement amendment specified in subrule (1)(a) or (b) of this rule.

(3) The additional filing fee provided in UCC section 9525(1)(a) shall apply to an initial financing statement or a financing statement amendment not specified in subrule (1)(a) or (b) of this rule.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.106 Methods of payment.**

Rule 106. Filing fees and fees for public records services may be paid by the following methods:

(a) Cash.

(b) A check made payable to "State of Michigan," including checks in an amount to be filled in by a filing officer, but not to exceed a particular amount, will be accepted for payment if it is a cashier's check or certified check drawn on a bank acceptable to the filing office or if the drawer is acceptable to the filing office.

(c) Billing account.

(d) The filing office will 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.

(e) If and when operational as determined by the filing officer, the filing office may accept a credit card issued by approved credit card issuers, in place of cash or a check, as payment for filing fees and fees for public records services. 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.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.107 New practices and technologies.**

Rule 107. 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 other technologies, and, without limiting the foregoing, to maintain and operate, in addition to or in place of a paper-based system, a non-paper-based article 9 filing system utilizing any available technology.

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 uniformity with, technologies, practices, policies, and rules adopted in connection with article 9 filing systems in other states.

History: 2002 MR 21, Eff. Nov. 20, 2002.

## **PART 2. ACCEPTANCE AND REFUSAL OF DOCUMENTS**

#### **R 440.201 Duty to file.**

Rule 201. If there is no ground to refuse acceptance of the document under R 440.202, then a financing statement is filed upon its receipt by the filing officer with the filing fee and the filing officer shall promptly assign a file number or identification number to the financing statement and index it in the information management system.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.202 Grounds for refusal.**

Rule 202. (1) The following grounds are the sole grounds for the filing officer's refusal to accept a financing statement for filing:

(a) Except as provided in paragraph (v) of this subdivision, a financing statement that adds 1 or more debtors shall be refused if any of the following circumstances exist:

(i) The document is an initial financing statement and fails to include any of the following information:

- (A) A legible debtor name.
- (B) A legible debtor address.

(C) The identification of each named debtor as an individual or an organization.

(ii) The document is an amendment and fails to include any of the following information:

- (A) A legible debtor name for the debtor being added.
- (B) A legible address for the debtor being added.

(C) The identification of each named debtor as an individual or an organization.

(iii) The last name of each individual debtor is not identified.

(iv) For each debtor identified as an organization, the document fails to include any of the following in legible form:

- (A) The organization type.
- (B) The state of organization.

(C) The organization number, or a statement that the debtor does not have an organization number.

(v) If the document contains more than 1 debtor name or address and some names or addresses are missing or illegible, the filing officer shall index the legible name and address pairings, and provide a notice to the remitter containing the file number or identification number of the document, identification of the debtor names that were indexed, and a statement that debtors with illegible or missing names or addresses were not indexed.

(b) Except as provided in paragraph (iv) of this subdivision, a financing statement adding 1 or more secured parties of record or assignees shall be refused if any of the following exist:

(i) The document is an initial financing statement and fails to include either of the following in legible form:

- (A) Secured party name.
- (B) Secured party address.

(ii) The document is an amendment and fails to include either of the following in legible form:

- (A) A name for the secured party being added.
- (B) An address for the secured party being added.

(iii) The document is an assignment and fails to include either of the following in legible form:

- (A) A name for the assignee.
- (B) An address for the assignee.

(iv) If the document contains more than 1 secured party, or assignee, name or address and some names or addresses are missing or illegible, the filing officer shall index the legible name and address pairings, and provide a notice to the remitter

containing the file number or identification number of the document, identification of the secured party, or assignee names that were indexed, and a statement that secured

parties and assignees with illegible or missing names or addresses were not indexed.

(c) A financing statement other than an initial financing statement shall be refused if the document does not provide a file number of a financing statement in the UCC information management system that has not lapsed, or, until June 30, 2006, a number associated with a UCC financing statement filed in this state before June 30, 2001, that has not lapsed.

(d) A continuation shall be refused if it is not received during the 6-month period concluding on the day upon which the related financing statement would lapse. Both of the following apply to filing a continuation:

(i) The first day on which a continuation may be filed is the date of the month corresponding to the date upon which the financing statement would lapse, 6 months preceding the month in which the financing statement would lapse. If there is no such corresponding date during the sixth month preceding the month in which the financing statement would lapse, then the first day on which a continuation may be filed is the last day of the sixth month preceding the month in which the financing statement would lapse, although filing by certain means may not be possible on such date if the filing office is not open on such date.

(ii) The last day on which a continuation may be filed is the date upon which the financing statement lapses.

(e) A financing statement shall be refused if the document is accompanied by less than the full filing fee tendered by a method described in R 440.106.

(f) Financing statements communicated to the filing office by a means of communication not authorized by the filing officer for the communication of financing statements shall be refused.

(2) As used in this rule, the term "legible" is not limited to refer only to written expressions on paper. It requires a machine-readable transmission for electronic transmissions and an otherwise readily decipherable transmission in other cases.

(3) A financing statement that does not identify itself as an amendment or identify an initial financing statement to which it relates, as required by MCL 440.9512, 440.9514, or 440.9518, is an initial financing statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

### **R 440.203 Grounds not warranting refusal.**

Rule 203. (1) The sole grounds for the filing officer's refusal to accept a financing statement for filing are enumerated in R 440.202.

(2) The following are examples of defects that do not constitute grounds for refusal to accept a document:

(a) The financing statement contains or appears to contain a misspelling or other apparently erroneous information.

(b) The financing statement appears to identify a debtor incorrectly.

(c) The financing statement appears to identify a secured party or a secured party of record incorrectly.

(d) The financing statement contains additional or extraneous information of any kind.

(e) The financing statement contains less than the information required by article 9 of the UCC, provided that the document contains the information required in R 440.202.

(f) The financing statement incorrectly identifies collateral, or contains an illegible or unintelligible description of collateral, or does not appear to contain a description of collateral.

(g) The document is accompanied by funds in excess of the full filing fee.

(3) The examples enumerated in subrule (2) of this rule are not a comprehensive enumeration of defects outside the scope of permitted grounds for refusal to accept a financing statement for filing.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.204 Procedure upon refusal.**

Rule 204. If the filing officer finds grounds under R 440.202 to refuse acceptance of a financing statement, then the filing officer shall return the document, if written, to the remitter and shall refund the filing fee upon request. The filing officer shall send a notice that contains the date and time the document would have been filed had it been accepted for filing, unless the date and time are stamped on the document, and a brief description of the reason for refusal to accept the document under R 440.202. The notice shall be sent to a secured party or the remitter, as provided in R 440.402(2)(b), not later than the second business day after the filing office receives the document. The refund may be delivered with the notice or under separate cover.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.205 Acknowledgment.**

Rule 205. Upon the request of a filer or remitter who files a written financing statement, the filing officer shall send to the filer or remitter an image of the record of the financing statement showing the file number or identification number assigned to it and the date and time of filing. For a financing statement not filed in written form, the filing officer shall communicate to the filer or remitter the information in the filed document, the file number or identification number, and the date and time of filing.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.206 Responsibility for legal effectiveness.**

Rule 206. The responsibility for the legal effectiveness of filing rests with filers and remitters and the filing office bears no responsibility for legal effectiveness.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.207 Refusal errors.**

Rule 207. If a secured party or a remitter demonstrates to the satisfaction of the filing officer that a financing statement that was refused for filing should not have been refused under R 440.202, then the filing officer shall file the financing statement as provided in these rules, reflecting a filing date and time when filing should have occurred. The filing officer shall also file a filing officer statement that states that the effective date and time of filing is the date and time the financing statement was originally tendered for filing, and sets forth the date and time. The demonstration of error shall constitute the secured party's or remitter's authorization to file the filing officer's correction statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**PART 3. UCC INFORMATION MANAGEMENT SYSTEM**

**R 440.301 Primary data elements.**

Rule 301. (1) The primary data elements used in the UCC information management system are the following:

(a) Identification number, as follows:

(i) Each initial financing statement is identified by its file number as described in R 440.102(1)(d).

(ii) A financing statement other than an initial financing statement is identified by a unique identification number assigned by the filing officer.

(b) Type of financing statement.

(c) Filing date and time of financing statements.

(d) The names and addresses of debtors and secured parties.

(e) Status of each financing statement as active or inactive.

(f) The total number of pages in a financing statement.

(g) A lapse indicator that identifies when a financing statement will lapse.

The lapse date of an initial financing statement is determined as provided in R 440.404 based upon its filing date.

(2) A record is created and maintained in the UCC information management system for each initial financing statement.

(3) A record is created and maintained in the UCC information management system for each financing statement other than an initial financing statement and is linked to the record of its related initial financing statement.

(4) The records created and maintained in the UCC information management system for each initial financing statement and all financing statements relating to it are permanently associated with one another.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.302 Names of individuals.**

Rule 302. The following provisions apply to the name of an individual who, or whose estate, is a debtor or a secured party on a financing statement:

(a) Separate data entry fields are established for first, middle, and last names of individuals. The filing officer assumes no responsibility for the accurate designation of the components of a name, but will accurately enter the data in accordance with the filer's designations, as required by R 440.407(2)(b).

(b) Titles and prefixes, such as "doctor," "reverend," "Mr.," and "Ms.," should not be provided by filers in financing statements.

However, as provided in R 440.407, when a financing statement is submitted with designated name fields, the data shall be entered in the UCC information management system exactly as it appears.

(c) Titles and suffixes, or indications of status such as "M.D." and "esquire" are not part of an individual's name and should not be provided by filers in financing statements. However, as provided in R 440.407, when a financing statement is submitted with designated name fields, the data shall be entered in the UCC information management system exactly as it appears.

(d) Suffixes that indicate which individual is being named, such as "senior," "junior," "I," "II," and "III," are appropriate and shall be entered exactly as it appears into the UCC information management system in a field designated for name suffixes.

(e) Name fields for individuals in the UCC information management system are fixed in length. Although filers shall continue to provide full names of individuals on their financing statements, a name that exceeds the fixed length of a name field is entered as presented to the filing officer, up to the maximum length of the field. The maximum lengths of name fields are as follows:

- (i) First name, 40 characters.
- (ii) Middle name, 20 characters.
- (iii) Last name, 70 characters.
- (iv) Suffix, 20 characters.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.303 Names of organizations.**

Rule 303. Both of the following provisions apply to the name of an organization that is a debtor or a secured party on a financing statement:

(a) A single field is used to store an organization name.

(b) The organization name field in the UCC information management system is fixed in length. The maximum length is 250 characters. Although filers shall continue to provide full names of organizations on their financing statements, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the field.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.304 Estates.**

Rule 304. Although estates are not human beings, the names of estates are entered into the UCC information management system, as specified in R 440.302, as if the decedents were the debtors.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.305 Trusts.**

Rule 305. (1) If the trust is named in its organic documents, its full legal name, as set forth in the documents, is entered in the UCC information management system as an organization under R 440.303.

(2) If the trust is not named in its organic documents, then the name of the settlor is used as the trust name and entered into the UCC information management system in the following manner:

(a) If the settlor is indicated to be an organization, then the name is entered as an organization name under R 440.303.

(b) If the settlor is indicated to be an individual, then the name is entered as an individual name under R 440.302.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.306 Initial financing statement.**

Rule 306. Upon the filing of an initial financing statement, the status of the parties and the status of the financing statement shall be as follows:

(a) Each secured party named on an initial financing statement shall be a secured party of record, except that if the initial financing statement names an assignee, then the secured party/assignor shall not be a secured party of record and the secured party/assignee shall be a secured party of record.

(b) The status of a debtor named on the initial financing statement shall be active and shall continue as active until 1 year after the financing statement lapses.

(c) The status of the financing statement shall be active. A lapse date shall be calculated 5 years from the filing date, unless the initial financing statement indicates that it is filed with respect to a

manufactured home transaction, in which case the lapse date shall be 30 years from the filing date, or if the initial financing statement indicates that it is filed against a transmitting utility, then there shall be no lapse date. A financing statement remains active until 1 year after it lapses, or, if it is indicated to be filed against a transmitting utility, until 1 year after it is terminated with respect to all secured parties of record.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.307 Amendment.**

Rule 307. Upon the filing of an amendment, the status of the parties and the status of the financing statement shall be as follows:

(a) An amendment that amends only the collateral description or 1 or more addresses has no effect upon the status of any debtor or secured party. If an amendment is authorized by less than all of the secured parties or, in the case of an amendment that adds collateral, less than all of the debtors, then the amendment affects only the interests of each authorizing secured party or debtor.

(b) An amendment that changes a debtor's name has no effect on the status of any debtor or secured party, except that the related initial financing statement and all related financing statements permanently associated with one another shall be cross-indexed in the UCC information management system so that a search under either the debtor's old name or the debtor's new name will reveal all related financing statements. An amendment that changes a debtor's name affects only the rights of its authorizing secured party or parties.

(c) An amendment that changes the name of a secured party has no effect on the status of any debtor or any secured party, but the new name is added to the UCC information management system as if it were the name of a new secured party of record.

(d) An amendment that adds a new debtor name has no effect upon the status of any party to the financing statement, except the new debtor name shall be added to the UCC information management system as a new debtor. The addition of a new debtor name shall affect only the rights of the secured party or parties authorizing the amendment.

(e) An amendment that adds a new secured party shall not affect the status of any party to the financing statement, except that the new secured party name shall be added to the UCC information management system as a new secured party.

(f) An amendment that deletes a debtor has no effect on the status of any party to the financing statement, even if the amendment purports to delete all debtors.

(g) An amendment that deletes a secured party of record has no effect on the status of any party to the financing statement, even if the amendment purports to delete all secured parties of record.

(h) An amendment shall have no effect upon the status of the financing statement, except that a continuation may extend the period of effectiveness of a financing statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.308 Assignment of powers of secured party of record.**

Rule 308. Upon the filing of an assignment, the status of the parties and the status of the financing statement shall be as follows:

(a) An assignment shall have no effect on the status of the parties to the financing statement, except that each assignee named in the assignment shall become a secured party of record.

(b) An assignment shall have no effect upon the status of the financing statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.309 Continuation statement.**

Rule 309. (1) Upon the timely filing of a continuation statement by any secured party of record, the lapse date of the financing statement shall be extended by 5 years.

(2) The filing of a continuation statement shall have no effect upon the status of any party to the financing statement.

(3) Upon the filing of a continuation statement, the status of the financing statement remains active in the UCC information management system until 1 year after it lapses, as prescribed in subrule (1) of this rule.

**R 440.310 Termination statement.**

Rule 310. (1) The filing of a termination shall have no effect upon the status of any party to the financing statement.

(2) The filing of a termination shall have no effect upon the status of the financing statement and, except as provided in subrule (3) of this rule, the financing statement shall remain active in the UCC information management system until 1 year after it lapses.

(3) If the termination relates to a financing statement that indicates it is filed against a transmitting utility, then the financing statement shall become inactive 1 year after it is terminated with respect to all secured parties of record.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.311 Correction statement.**

Rule 311. Upon the filing of a correction statement, the status of the parties and the status of the financing statement shall be as follows:

(a) The filing of a correction statement shall have no effect upon the status of any party to the financing statement.

(b) The filing of a correction statement shall have no effect upon the status of the financing statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.312 Procedure upon lapse.**

Rule 312. (1) If there is no timely filing of a continuation with respect to a financing statement, then the financing statement lapses on its lapse date, but shall remain active in the UCC information management system until the first anniversary of its lapse date.

(2) On the first anniversary of the lapse date of a financing statement, the financing statement shall be deemed inactive in the UCC information management system and the financing statement shall no longer be made available to a searcher, unless inactive financing statements are requested by the

searcher and the financing statement is still retrievable by the UCC information management system.

History: 2002 MR 21, Eff. Nov. 20, 2002.

## **PART 4. FILING AND DATA ENTRY PROCEDURES**

### **R 440.401 Data entry.**

Rule 401. Except as provided in these rules, data is transferred from a financing statement to the UCC information management system exactly as set forth in the document. Personnel creating reports in response to search requests type search criteria exactly as set forth on the search request. No effort is made by the filing office to detect or correct errors of any kind.

History: 2002 MR 21, Eff. Nov. 20, 2002.

### **R 440.402 Document indexing.**

Rule 402. (1) The date and time of receipt are noted on the document or otherwise permanently associated with the record maintained for a financing statement in the UCC information management system at the earliest possible time.

(2) The filing office determines whether a ground exists to refuse the document under R 440.202. If there is no ground for refusal of the document, then all of the following provisions apply:

(i) The document is stamped or deemed filed and a unique identification number and the filing date is stamped on the document or otherwise permanently associated with the record maintained for a financing statement in the UCC information management system.

(ii) An acknowledgment of filing is prepared as provided in R 440.206 and delivered as provided in subrule (3) of this rule.

(iii) The sequence of the identification number is not an indication of the order in which the document was received. If there is a ground for refusal of the document, then notification of refusal to accept the document is prepared as provided in R 440.205 and delivered as provided in subrule (3) of this rule.

(3) If the financing statement was tendered in person, then notice of refusal or acknowledgment of the filing may be given by delivering the notice or acknowledgment to the person tendering the filing by personal delivery, or by first class mail or overnight courier as provided in this subrule. If the financing statement was tendered by on-line access, then notice of refusal or acknowledgment of filing is given by delivering the notice or acknowledgment to the remitter by on-line response that includes the information required by R 440.205 or R 440.206. Acknowledgment of filing or notice of refusal of a financing statement tendered by other means is given by delivering the notice or acknowledgment to the secured party, or the first secured party if there are more than 1 named on the financing statement by first class mail, or, if the remitter so requests, by first class mail to the remitter, or by overnight courier to

the remitter if the remitter provides a prepaid waybill or access to the remitter's account with the courier.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.403 Filing date and time.**

Rule 403. (1) Except as provided in subrule (2) of this rule, the filing date and time of a financing statement received with the proper filing fee is determined in the following manner:

(a) For a financing statement delivered to the filing office as provided in R 440.103(a), the date and time delivery is received by the filing office.

(b) Notwithstanding the time of delivery, for a financing statement delivered to the filing office as provided in R 440.103(b), (c), (e), or (g) during regular business hours, the earlier of the date and time delivery is received, or the next close of business following delivery.

(c) For a financing statement transmitted to the filing office as provided in R 440.103(d), the date and time the filing office determines that all required elements of the transmission have been received in the required format and are machine-readable.

(d) For a financing statement transmitted to the filing office as provided in R 440.103(f), the date and time the financing statement has been accepted for filing by the filing office's direct on-line entry system.

(2) Except as provided in subrule (1)(c) and (d) of this rule, the filing date and time of a financing statement received after regular business hours or on a day the filing office is not open for business is the earlier of the date and time delivery 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.

(3) The filing officer may perform any duty relating to a financing statement on the filing date or on a date after the filing date.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.404 Lapse date and time.**

Rule 404. (1) Except as provided in subrule (3) of this rule, a lapse date is calculated for each initial financing statement in the following manner:

(a) Unless the initial financing statement indicates that it is filed with respect to a manufactured home transaction, then the lapse date is the same date of the same month as the filing date in the fifth year after the filing date or relevant subsequent fifth anniversary thereof if a timely continuation statement is filed.

(b) If the initial financing statement indicates that it is filed with respect to a manufactured home transaction, then the lapse date is the same date of the same month as the filing date in the thirtieth year after the filing date or relevant subsequent fifth anniversary thereof if a timely continuation statement is filed.

(2) The lapse takes effect at midnight at the end of the lapse date. The relevant anniversary for a February 29 filing date shall be March 1.

(3) A lapse date is not calculated for an initial financing statement that indicates the debtor to be a transmitting utility.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.405 Errors of the filing officer.**

Rule 405. The filing office may correct the errors of filing officer personnel in the UCC information management system at any time. If the correction is made after the filing officer has issued a certification date that includes the filing date of a corrected document, then the filing officer shall make an entry on the record relating to the relevant initial financing statement in the UCC information management system stating the date of the correction and explaining the nature of the corrective action taken. The record shall be preserved for so long as the record of the initial financing statement is preserved in the UCC information management system.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.406 Errors other than filing office errors.**

Rule 406. An error by a filer is the responsibility of the filer. A filer can correct an error by filing an amendment. A person under whose name a record is indexed can disclose an error by filing a correction statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.407 Data entry of names; designated fields.**

Rule 407. (1) A financing statement shall designate whether a name is a name of an individual or an organization and, if an individual, shall also designate the first, middle, and last names and any suffix.

(2) Both of the following provisions apply to the data entry of names into the UCC information management system:

(a) Organization names are entered in the field designated for an organization name exactly as set forth in the financing statement, even if it appears that multiple names are set forth in the document or if it appears that the name of an individual has been included in the field designated for an organization name.

(b) Individual names are entered into the first, middle, and last name and suffix fields exactly as set forth on the financing statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.408 Data entry of names; no designated fields.**

Rule 408. (1) If an initial financing statement or an amendment that adds a debtor to a financing statement fails to specify whether the debtor is an individual or an

organization and is accepted for filing in error, then all of the following provisions apply:

(a) When not set forth in a field designated for individual names, a name is treated as an organization name if it contains words or abbreviations that indicate status such as any of the following and similar words

or abbreviations in foreign languages:

- (i) Association.
- (ii) Church.
- (iii) College.
- (iv) Company.
- (v) Co.
- (vi) Corp.
- (vii) Corporation.
- (viii) Inc.,
- (ix) Limited.
- (x) Ltd.
- (xi) Club.
- (xii) Foundation.
- (xiii) Fund.
- (xiv) L.L.C.
- (xv) Limited liability company.
- (xvi) Institute.
- (xvii) Society.
- (xviii) Union.
- (xix) Syndicate.
- (xx) GmBH.
- (xxi) S.A. de C.V.
- (xxii) Limited partnership.
- (xxiii) L.P.
- (xxiv) Limited liability partnership.
- (xxv) L.L.P.
- (xxvi) Trust.
- (xxvii) Business trust.
- (xxviii) Co-op.
- (xxix) Cooperative.

(xxx) Other designations established by statutes to indicate a statutory organization. In cases where organization or individual status is not designated by the filer and is not clear, the filing officer shall enter the name in the organization field.

(b) A name is entered as the name of an individual and not the name of an organization when the name is followed by a title substantially similar to one of the following titles or the equivalent of one of the following titles in a foreign language:

- (i) Proprietor.
- (ii) Sole proprietor.
- (iii) Proprietorship.
- (iv) Sole proprietorship.

- (v) Partner.
- (vi) General partner.
- (vii) President.
- (viii) Vice president.
- (ix) Secretary.
- (x) Treasurer.
- (xi) M.D.
- (xii) O.D.
- (xiii) D.D.S.
- (xiv) Attorney at law.
- (xv) Esq.
- (xvi) Accountant.
- (xvii) CPA.

In such cases, the title is not entered.

(c) Where it is apparent that the name of an individual and the name of an organization are stated on a single line and not in a designated individual name field, the name of the individual and the name of the organization shall be entered as 2 separate debtors, 1 as an individual and 1 as an organization. Additional filing fees for the additional debtor name will be required.

(2) If an initial financing statement or an amendment that adds a debtor to a financing statement fails to designate the last name of an individual debtor and is accepted for filing in error, or if only the last name of an individual debtor is designated in an initial financing statement or an amendment that adds a debtor to a financing statement, then all of the following provisions apply:

(a) An initial in the first position of the name is treated as a first name. An initial in the second position of the name is treated as a middle name.

(b) An initial and a name to which the initial apparently corresponds, as indicated by parentheses or similar punctuation, is entered into 1 name field only.

(c) Two individual names contained in a single line are entered as 2 different debtors.

(d) A 1-word name is entered as a last name.

(e) A nickname, as indicated by parentheses or similar punctuation, is entered in the name field together with the name preceding the nickname, or if none, then as the first name.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.409 Verification of data entry.**

Rule 409. The filing officer may use a number of different processes to verify the accuracy of data entry tasks, such as any of the following:

- (a) Use of different staff to enter and verify data.
- (b) Double blind keying for key fields, such as debtor names.
- (c) Use of frequent party lists.
- (d) Visual inspection of entered data.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.410 Initial financing statement record.**

Rule 410. (1) For each initial financing statement, a new record is opened in the UCC information management system that bears the file number of the financing statement and the date and time of filing.

(2) The name and address of each debtor that are legibly set forth in the financing statement are entered into the record of the initial financing statement. Each debtor name entered into the record of the initial financing statement is included in the searchable index and is not removed until 1 year after the financing statement lapses. Debtor addresses may be included in the searchable index to the extent the filing office offers or intends to offer limited searches or limited copy requests as provided in R 440.504.

(3) The name and address of each secured party that are legibly set forth in the financing statement are entered into the record of the initial financing statement.

(4) The record of the initial financing statement is indexed according to the name of the debtor or debtors and is maintained for public inspection as provided in these rules.

(5) Unless the initial financing statement indicates it is filed against a transmitting utility, a lapse date is established for the financing statement, and the lapse date is maintained as part of the record of the initial financing statement.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.411 Amendment record.**

Rule 411. (1) A record is created for an amendment that bears the identification number for the amendment and the date and time of filing.

(2) The record of the amendment is associated with the record of the related initial financing statement in a manner that causes the amendment to be retrievable each time a record of the financing statement is retrieved.

(3) The name and address of each additional debtor and secured party are entered into the UCC information management system in the record of the related initial financing statement. Each additional debtor name is added to the searchable index and is not removed until 1 year after the financing statement lapses. Debtor addresses may be included in the searchable index to the extent the filing office offers or intends to offer limited searches or limited copy requests as provided in R 440.504.

(4) If the amendment is a continuation, then a new lapse date is established for the financing statement and maintained as part of its record.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.412 Correction statement record.**

Rule 412. (1) A record is created for a correction statement that bears the identification number for the correction statement and the date and time of filing.

(2) The record of the correction statement is associated with the record of the related initial financing statement in a manner that causes the correction statement to be retrievable each time a record of the financing statement is retrieved.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.413 Global filings.**

Rule 413. The filing officer may accept for filing a single financing statement for the purpose of amending more than 1 financing statement for either or both of the following purposes:

- (a) To change secured party name.
- (b) To change secured party address.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.414 Document archives.**

Rule 414. Financing statements electronically imaged in the UCC information management system relating to financing statements that have lapsed or have been terminated are retained for not less than 5 years from the date of lapse or termination.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.415 Data archives.**

Rule 415. Data in the UCC information management system relating to financing statements that have lapsed or have been terminated are retained for not less than 5 years from the date of lapse or termination.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.416 Notice of bankruptcy.**

Rule 416. The filing officer shall take no action upon receipt of a notification, formal or informal, of a bankruptcy proceeding involving a debtor named in the UCC information management system. Financing statements lapse in the UCC information management system as scheduled unless properly continued.

History: 2002 MR 21, Eff. Nov. 20, 2002.

## **PART 5. SEARCH REQUESTS AND REPORTS**

**R 440.501 Searchable index.**

Rule 501. The filing officer may maintain for public inspection a searchable index for all records of financing statements. The index shall provide for the retrieval of a record by the name of the debtor and by the file number of the financing statement to which the record relates.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.502 Search requests; contents and processing.**

Rule 502. (1) A search request shall be accompanied by the appropriate fee, payable by a method described in R 440.106, and shall contain all of the following information:

- (a) The full correct name of a debtor or the name variant desired to be searched.
- (b) Specify whether the debtor is an individual or an organization.
- (c) The name and address of the person to whom the search report is to be sent.

(2) A search request shall be processed using the name in the exact form it is submitted.

(3) For purposes of this rule, both of the following provisions apply:

(a) The full name of an individual shall consist of a first name, a middle name or initial, and a last name followed by any suffix that may apply to the name.

(b) The full name of an organization shall consist of the name of the organization as stated on the articles of incorporation or other organic documents in the state or country of organization or the name variant desired to be searched.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.503 Requests for expediting; identification; method; certification date.**

Rule 503. (1) A request for expediting shall be identified as such by the requestor.

(2) A request for expediting shall state whether the requestor desires current certification. Current certification is certification to the end of the business day preceding the day of the request.

(3) If the requestor does not expressly request current certification, then the certification date shall be the date under R 440.507.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.504 Request for expediting; payment; account.**

Rule 504. (1) A request for expediting shall not be accepted by the filing office by telephone unless the requestor has a billing account with the filing office and authorizes the filing office to make a charge to the account for the search.

(2) A request for expediting made by any other means provided in R 440.104 shall be accompanied by cash or check, in the correct amount, for the statutory fee,

or the requestor shall have a billing account with the filing office and shall authorize the filing office to make a charge to the account for the search.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.505 Response to request for expediting; mailing or personal delivery; time.**

Rule 505. (1) The response to a request for expediting received by the filing office before 11:00 a.m. on a business day shall be available for mailing or personal delivery between 3:00 p.m. and 4:30 p.m. on the day the request is received.

(2) A request for expediting received by the filing office after 11:00 a.m. shall be considered a request for expediting and shall be processed on the next business day. If there is no personal delivery by the requestor on the day personal delivery is requested, then the information shall be mailed.

(3) If the requestor specifies a current certification date in the request for expediting, then the information shall be available on the day of the request by personal delivery only.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.506 Fees for expediting searches.**

Rule 506. (1) The filing office shall charge the statutory fee for expediting of the regular search process, as provided by the UCC.

(2) Each separate name of a debtor set forth in a request for expediting shall be deemed a separate request for purposes of the statutory fee.

(3) Each time a requestor specifies that a request for expediting is being made, the request shall be deemed a separate request for purposes of the statutory fee.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.507 Search reports.**

Rule 507. (1) Reports created in response to a search request shall include all of the following:

(a) Identification of the filing officer and the certification of the filing officer required by the UCC.

(b) The date the report was generated.

(c) Identification of the name searched.

(d) The certification date applicable to the report.

(e) Identification of each active initial financing statement filed on or before the certification date and time corresponding to the search criteria, by name of debtor, by identification number, and by file date and file time.

(f) For each initial financing statement on the report, a listing of all related financing statements filed by the filing officer on or before the certification date.

(g) Copies of all financing statements revealed by the search and requested by the searcher.

(2) As used in this rule, "certification date" means the date and time through which the search is effective to reveal all relevant financing statements filed on or before that date.

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.508 Limited or modified search requests.**

Rule 508. (1) A person requesting a UCC search may limit or modify the search by requesting either or both of the following:

(a) That copies of documents referred to in the report be included with the report.

(b) To limit the scope of the search and copies by reference to any 1 or more of the following:

(i) The initial financing statement identification number.

(ii) The city of the debtor.

(iii) The identity of a secured party of record.

(iv) The date of filing.

(v) A range of dates between 2 specified dates.

(vi) A range of dates before or after a specified date.

(2) A report created by the filing officer in response to a request that a UCC search be limited under this rule shall contain the following statement: "A search request limited under R 440.508(1) may not reveal all filings against the debtor searched. The searcher bears the risk of relying on the limited search."

History: 2002 MR 21, Eff. Nov. 20, 2002.

#### **R 440.509 Personal inspection of information; filing request; time; access to files; charges; separate request for certification, updating, or copying.**

Rule 509. (1) A request for personal inspection of information filed with the filing office pursuant to the UCC shall specify a date and time for the personal inspection. The inspection shall be made not less than 3 business days after the request is received by the filing office.

(2) A request for personal inspection of files may be made by telephone, in person, or by mail.

(3) The requestor shall only be given access to files specified in writing by the requestor on the date of the request. The charge for personal inspection shall be the statutory fee for expediting of the regular search process, plus the regular statutory fee for each name of a debtor specified in the written request for inspection.

(4) The request for inspection of files shall not include a request for certification, updating, or copying of documents. A separate request shall be made for certification, updating, or copying by the secretary of state, and shall be subject to a separate statutory fee.

History: 2002 MR 21, Eff. Nov. 20, 2002.

**R 440.510 Search logic.**

Rule 510. Search results are created by applying standardized search logic to the name presented to the filing officer by the person requesting the search. Human judgment does not play a role in determining the results of the search. All of the following provisions are applied to conduct searches:

(1) The number of matches that may be returned in response to the search criteria is not limited.

(b) No distinction is made between upper and lower case letters.

(c) Punctuation marks and accents are disregarded. Only the letters A to Z in upper or lower case, the numbers 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9, and the symbol &, in any combination, are considered in conducting the search.

(d) Words and abbreviations at the end of a name that indicate the existence or nature of an organization are disregarded, including, but not limited to, any of the following or abbreviations of the following:

- (i) Agency.
- (ii) Association.
- (iii) Assn.
- (iv) Associates.
- (v) Assc.
- (vi) Assoc.
- (vii) Attorney at law.
- (viii) Bank.
- (ix) National bank.
- (x) Business trust.
- (xi) Charter.
- (xii) Chartered.
- (xiii) Company.
- (xiv) Co.
- (xv) Corporation.
- (xvi) Corp.
- (xvii) Credit union.
- (xviii) CU.
- (xix) Federal savings bank.
- (xx) FSB.
- (xxi) General partnership.
- (xxii) Gen part.
- (xxiii) GP.
- (xxiv) Incorporated.
- (xxv) Inc.
- (xxvi) Limited.
- (xxvii) Ltd.
- (xxviii) Ltee.
- (xxix) Limited liability company.
- (xxx) LC.

- (xxxi) LLC.
- (xxxii) Limited liability partnership.
- (xxxiii) LLP.
- (xxxiv) Limited partnership.
- (xxxv) LP.
- (xxxvi) Medical doctors professional association.
- (xxxvii) MDPA.
- (xxxviii) Medical doctors professional corporation.
- (xxxix) MDPC.
- (xL) National association.
- (xLi) NA.
- (xLii) Partners.
- (xLiii) Partnership.
- (xLiv) Professional association.
- (xLv) Prof assn.
- (xLvi) PA.
- (xLvii) Professional corporation.
- (xLviii) Prof corp.
- (xLix) PC.
- (L) Professional limited liability company.
- (Li) Professional limited liability co.
- (Lii) PLLC.
- (Liii) Railroad.
- (Liv) RR.
- (Lv) Real estate investment trust.
- (Lvi) REIT.
- (Lvii) Registered limited liability partnership.
- (Lviii) RLLP.
- (Lix) Savings association.
- (Lx) SA.
- (Lxi) Service corporation.
- (Lxii) SC.
- (Lxiii) Sole proprietorship.
- (Lxiv) SP.
- (Lxv) SPA.
- (Lxvi) Trust.
- (Lxvii) Trustee.
- (Lxviii) As trustee.

(e) The word "the" at the beginning of the search criteria is disregarded.

(f) All spaces are disregarded.

(g) For first and middle names of individuals, initials are equated with all names that begin with the initials, and no middle name or initial is equated with all middle names and initials.

(h) After taking the preceding provisions into account to modify the name of the debtor requested to be searched and to modify the names of debtors contained in unexpired financing statements in the UCC information management system, the search

will reveal only names of active debtors that, as modified, exactly match the name requested, as modified.

History: 2002 MR 21, Eff. Nov. 20, 2002.