

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 87

FINAL READING

Introduced by Pahls, 31.

Read first time January 8, 2009

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to secured transactions; to amend section
2 9-506, Uniform Commercial Code, Revised Statutes
3 Cumulative Supplement, 2008; to extend existing
4 provisions of and delay changes to the effects of errors
5 and omissions in financing statements; to repeal the
6 original section; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-506, Uniform Commercial Code,
2 Revised Statutes Cumulative Supplement, 2008, is amended to read:

3 9-506 Effect of errors or omissions.

4 (a) (i) This subsection applies until September 2,
5 ~~2009.~~ 2010. A financing statement substantially satisfying the
6 requirements of this part is effective, even if it has minor errors
7 or omissions, unless the errors or omissions make the financing
8 statement seriously misleading.

9 (ii) Except as otherwise provided in subdivision (iii) of
10 this subsection, a financing statement that fails sufficiently to
11 provide the name of the debtor in accordance with section 9-503(a)
12 is seriously misleading.

13 (iii) If a search of the records of the filing office
14 under the debtor's correct name, using the filing office's standard
15 search logic, if any, would disclose a financing statement that
16 fails sufficiently to provide the name of the debtor in accordance
17 with section 9-503(a), the name provided does not make the
18 financing statement seriously misleading.

19 (iv) For purposes of section 9-508(b), the "debtor's
20 correct name" in subdivision (iii) of this subsection means the
21 correct name of the new debtor.

22 (b) (i) This subsection applies beginning on September
23 2, ~~2009.~~ 2010. A financing statement substantially satisfying the
24 requirements of this part is effective, even if it has minor errors
25 or omissions, unless the errors or omissions make the financing

1 statement seriously misleading.

2 (ii) Except as otherwise provided in subdivision (iii) of
3 this subsection, a financing statement that fails sufficiently to
4 provide the name of the debtor in accordance with section 9-503(a)
5 is seriously misleading.

6 (iii) If a search of the records of the filing office
7 under the debtor's correct name, or, in the case of a debtor who
8 is an individual, the debtor's correct last name, using the filing
9 office's standard search logic, if any, would disclose a financing
10 statement that fails sufficiently to provide the name of the debtor
11 in accordance with section 9-503(a), the name provided does not
12 make the financing statement seriously misleading.

13 (iv) For purposes of section 9-508(b), the "debtor's
14 correct name" in subdivision (iii) of this subsection means the
15 correct name of the new debtor.

16 Sec. 2. Original section 9-506, Uniform Commercial Code,
17 Revised Statutes Cumulative Supplement, 2008, is repealed.

18 Sec. 3. Since an emergency exists, this act takes effect
19 when passed and approved according to law.