

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 751**

Introduced by Pahls, 31.

Read first time January 06, 2010

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 Supplement, 2009; to change provisions relating to the  
4 effects of errors and omissions in financing statements;  
5 to repeal the original section; and to declare an  
6 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 Supplement, 2009, is amended to read:

3           9-506 Effect of errors or omissions.

4           ~~(a)(i) This subsection applies until September 2, 2010.~~

5           (a) A financing statement substantially satisfying the requirements  
6 of this part is effective, even if it has minor errors or  
7 omissions, unless the errors or omissions make the financing  
8 statement seriously misleading.

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

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

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

22           ~~(b)(i)~~ This subsection applies beginning on September  
23 2, 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 Supplement, 2009, is repealed.

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