



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 3764

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3764 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Uniform Commercial Code is amended by  
5 changing Sections 2A-103, 9-102, 9-105, 9-307, 9-311, 9-316,  
6 9-317, 9-326, 9-406, 9-408, 9-502, 9-503, 9-507, 9-515, 9-516,  
7 9-518, 9-521, 9-607, and 9-625 and by adding Part 8 to Article  
8 9 as follows:

9 (810 ILCS 5/2A-103) (from Ch. 26, par. 2A-103)

10 Sec. 2A-103. Definitions and index of definitions.

11 (1) In this Article unless the context otherwise requires:

12 (a) "Buyer in ordinary course of business" means a  
13 person who, in good faith and without knowledge that the  
14 sale to him or her is in violation of the ownership rights  
15 or security interest or leasehold interest of a third party  
16 in the goods, buys in ordinary course from a person in the

1 business of selling goods of that kind but does not include  
2 a pawnbroker. "Buying" may be for cash or by exchange of  
3 other property or on secured or unsecured credit and  
4 includes acquiring goods or documents of title under a  
5 pre-existing contract for sale but does not include a  
6 transfer in bulk or as security for or in total or partial  
7 satisfaction of a money debt.

8 (b) "Cancellation" occurs when either party puts an end  
9 to the lease contract for default by the other party.

10 (c) "Commercial unit" means such a unit of goods as by  
11 commercial usage is a single whole for purposes of lease  
12 and division of which materially impairs its character or  
13 value on the market or in use. A commercial unit may be a  
14 single article, as a machine, or a set of articles, as a  
15 suite of furniture or a line of machinery, or a quantity,  
16 as a gross or carload, or any other unit treated in use or  
17 in the relevant market as a single whole.

18 (d) "Conforming" goods or performance under a lease  
19 contract means goods or performance that are in accordance  
20 with the obligations under the lease contract.

21 (e) "Consumer lease" means a lease that a lessor  
22 regularly engaged in the business of leasing or selling  
23 makes to a lessee who is an individual and who takes under  
24 the lease primarily for a personal, family, or household  
25 purpose, if the total payments to be made under the lease  
26 contract, excluding payments for options to renew or buy,

1 do not exceed \$40,000.

2 (f) "Fault" means wrongful act, omission, breach, or  
3 default.

4 (g) "Finance lease" means a lease with respect to  
5 which:

6 (i) the lessor does not select, manufacture, or  
7 supply the goods;

8 (ii) the lessor acquires the goods or the right to  
9 possession and use of the goods in connection with the  
10 lease; and

11 (iii) one of the following occurs:

12 (A) the lessee receives a copy of the contract  
13 by which the lessor acquired the goods or the right  
14 to possession and use of the goods before signing  
15 the lease contract;

16 (B) the lessee's approval of the contract by  
17 which the lessor acquired the goods or the right to  
18 possession and use of the goods is a condition to  
19 effectiveness of the lease contract;

20 (C) the lessee, before signing the lease  
21 contract, receives an accurate and complete  
22 statement designating the promises and warranties,  
23 and any disclaimers of warranties, limitations or  
24 modifications of remedies, or liquidated damages,  
25 including those of a third party, such as the  
26 manufacturer of the goods, provided to the lessor

1           by the person supplying the goods in connection  
2           with or as part of the contract by which the lessor  
3           acquired the goods or the right to possession and  
4           use of the goods; or

5           (D) if the lease is not a consumer lease, the  
6           lessor, before the lessee signs the lease  
7           contract, informs the lessee in writing (a) of the  
8           identity of the person supplying the goods to the  
9           lessor, unless the lessee has selected that person  
10          and directed the lessor to acquire the goods or the  
11          right to possession and use of the goods from that  
12          person, (b) that the lessee is entitled under this  
13          Article to the promises and warranties, including  
14          those of any third party, provided to the lessor by  
15          the person supplying the goods in connection with  
16          or as part of the contract by which the lessor  
17          acquired the goods or the right to possession and  
18          use of the goods, and (c) that the lessee may  
19          communicate with the person supplying the goods to  
20          the lessor and receive an accurate and complete  
21          statement of those promises and warranties,  
22          including any disclaimers and limitations of them  
23          or of remedies.

24          (h) "Goods" means all things that are movable at the  
25          time of identification to the lease contract, or are  
26          fixtures (Section 2A-309), but the term does not include

1 money, documents, instruments, accounts, chattel paper,  
2 general intangibles, or minerals or the like, including oil  
3 and gas, before extraction. The term also includes the  
4 unborn young of animals.

5 (i) "Installment lease contract" means a lease  
6 contract that authorizes or requires the delivery of goods  
7 in separate lots to be separately accepted, even though the  
8 lease contract contains a clause "each delivery is a  
9 separate lease" or its equivalent.

10 (j) "Lease" means a transfer of the right to possession  
11 and use of goods for a term in return for consideration,  
12 but a sale, including a sale on approval or a sale or  
13 return, or retention or creation of a security interest is  
14 not a lease. Unless the context clearly indicates  
15 otherwise, the term includes a sublease.

16 (k) "Lease agreement" means the bargain, with respect  
17 to the lease, of the lessor and the lessee in fact as found  
18 in their language or by implication from other  
19 circumstances including course of dealing or usage of trade  
20 or course of performance as provided in this Article.  
21 Unless the context clearly indicates otherwise, the term  
22 includes a sublease agreement.

23 (l) "Lease contract" means the total legal obligation  
24 that results from the lease agreement as affected by this  
25 Article and any other applicable rules of law. Unless the  
26 context clearly indicates otherwise, the term includes a

1 sublease contract.

2 (m) "Leasehold interest" means the interest of the  
3 lessor or the lessee under a lease contract.

4 (n) "Lessee" means a person who acquires the right to  
5 possession and use of goods under a lease. Unless the  
6 context clearly indicates otherwise, the term includes a  
7 sublessee.

8 (o) "Lessee in ordinary course of business" means a  
9 person who in good faith and without knowledge that the  
10 lease to him or her is in violation of the ownership rights  
11 or security interest or leasehold interest of a third party  
12 in the goods leases in ordinary course from a person in the  
13 business of selling or leasing goods of that kind but does  
14 not include a pawnbroker. "Leasing" may be for cash or by  
15 exchange of other property or on secured or unsecured  
16 credit and includes acquiring goods or documents of title  
17 under a pre-existing lease contract but does not include a  
18 transfer in bulk or as security for or in total or partial  
19 satisfaction of a money debt.

20 (p) "Lessor" means a person who transfers the right to  
21 possession and use of goods under a lease. Unless the  
22 context clearly indicates otherwise, the term includes a  
23 sublessor.

24 (q) "Lessor's residual interest" means the lessor's  
25 interest in the goods after expiration, termination, or  
26 cancellation of the lease contract.

1           (r) "Lien" means a charge against or interest in goods  
2 to secure payment of a debt or performance of an  
3 obligation, but the term does not include a security  
4 interest.

5           (s) "Lot" means a parcel or a single article that is  
6 the subject matter of a separate lease or delivery, whether  
7 or not it is sufficient to perform the lease contract.

8           (t) "Merchant lessee" means a lessee that is a merchant  
9 with respect to goods of the kind subject to the lease.

10          (u) "Present value" means the amount as of a date  
11 certain of one or more sums payable in the future,  
12 discounted to the date certain. The discount is determined  
13 by the interest rate specified by the parties if the rate  
14 was not manifestly unreasonable at the time the transaction  
15 was entered into; otherwise, the discount is determined by  
16 a commercially reasonable rate that takes into account the  
17 facts and circumstances of each case at the time the  
18 transaction was entered into.

19          (v) "Purchase" includes taking by sale, lease,  
20 mortgage, security interest, pledge, gift, or any other  
21 voluntary transaction creating an interest in goods.

22          (w) "Sublease" means a lease of goods the right to  
23 possession and use of which was acquired by the lessor as a  
24 lessee under an existing lease.

25          (x) "Supplier" means a person from whom a lessor buys  
26 or leases goods to be leased under a finance lease.

1           (y) "Supply contract" means a contract under which a  
2           lessor buys or leases goods to be leased.

3           (z) "Termination" occurs when either party pursuant to  
4           a power created by agreement or law puts an end to the  
5           lease contract otherwise than for default.

6           (2) Other definitions applying to this Article and the  
7           Sections in which they appear are:

8           "Accessions". Section 2A-310(1).

9           "Construction mortgage". Section 2A-309(1)(d).

10          "Encumbrance". Section 2A-309(1)(e).

11          "Fixtures". Section 2A-309(1)(a).

12          "Fixture filing". Section 2A-309(1)(b).

13          "Purchase money lease". Section 2A-309(1)(c).

14          (3) The following definitions in other Articles apply to  
15          this Article:

16          "Account". Section 9-102(a)(2).

17          "Between merchants". Section 2-104(3).

18          "Buyer". Section 2-103(1)(a).

19          "Chattel paper". Section 9-102(a)(11).

20          "Consumer goods". Section 9-102(a)(23).

21          "Document". Section 9-102(a)(30).

22          "Entrusting". Section 2-403(3).

23          "General intangible". Section 9-102(a)(42).

24          "Good faith". Section 2-103(1)(b).

25          "Instrument". Section 9-102(a)(47).

26          "Merchant". Section 2-104(1).



1 "Mortgage". Section 9-102(a) (55).

2 "Pursuant to commitment". Section 9-102(a) (69)  
3 ~~9-102(a) (68)~~.

4 "Receipt". Section 2-103(1) (c).

5 "Sale". Section 2-106(1).

6 "Sale on approval". Section 2-326.

7 "Sale or return". Section 2-326.

8 "Seller". Section 2-103(1) (d).

9 (4) In addition, Article 1 contains general definitions and  
10 principles of construction and interpretation applicable  
11 throughout this Article.

12 (Source: P.A. 95-895, eff. 1-1-09.)

13 (810 ILCS 5/9-102) (from Ch. 26, par. 9-102)

14 Sec. 9-102. Definitions and index of definitions.

15 (a) Article 9 definitions. In this Article:

16 (1) "Accession" means goods that are physically united  
17 with other goods in such a manner that the identity of the  
18 original goods is not lost.

19 (2) "Account", except as used in "account for", means a  
20 right to payment of a monetary obligation, whether or not  
21 earned by performance, (i) for property that has been or is  
22 to be sold, leased, licensed, assigned, or otherwise  
23 disposed of, (ii) for services rendered or to be rendered,  
24 (iii) for a policy of insurance issued or to be issued,  
25 (iv) for a secondary obligation incurred or to be incurred,

1 (v) for energy provided or to be provided, (vi) for the use  
2 or hire of a vessel under a charter or other contract,  
3 (vii) arising out of the use of a credit or charge card or  
4 information contained on or for use with the card, or  
5 (viii) as winnings in a lottery or other game of chance  
6 operated or sponsored by a State, governmental unit of a  
7 State, or person licensed or authorized to operate the game  
8 by a State or governmental unit of a State. The term  
9 includes health-care-insurance receivables. The term does  
10 not include (i) rights to payment evidenced by chattel  
11 paper or an instrument, (ii) commercial tort claims, (iii)  
12 deposit accounts, (iv) investment property, (v)  
13 letter-of-credit rights or letters of credit, or (vi)  
14 rights to payment for money or funds advanced or sold,  
15 other than rights arising out of the use of a credit or  
16 charge card or information contained on or for use with the  
17 card.

18 (3) "Account debtor" means a person obligated on an  
19 account, chattel paper, or general intangible. The term  
20 does not include persons obligated to pay a negotiable  
21 instrument, even if the instrument constitutes part of  
22 chattel paper.

23 (4) "Accounting", except as used in "accounting for",  
24 means a record:

25 (A) authenticated by a secured party;

26 (B) indicating the aggregate unpaid secured

1 obligations as of a date not more than 35 days earlier  
2 or 35 days later than the date of the record; and

3 (C) identifying the components of the obligations  
4 in reasonable detail.

5 (5) "Agricultural lien" means an interest, other than a  
6 security interest, in farm products:

7 (A) which secures payment or performance of an  
8 obligation for goods or services furnished in  
9 connection with a debtor's farming operation;

10 (B) which is created by statute in favor of a  
11 person that in the ordinary course of its business  
12 furnished goods or services to a debtor in connection  
13 with a debtor's farming operation; and

14 (C) whose effectiveness does not depend on the  
15 person's possession of the personal property.

16 (6) "As-extracted collateral" means:

17 (A) oil, gas, or other minerals that are subject to  
18 a security interest that:

19 (i) is created by a debtor having an interest  
20 in the minerals before extraction; and

21 (ii) attaches to the minerals as extracted; or

22 (B) accounts arising out of the sale at the  
23 wellhead or minehead of oil, gas, or other minerals in  
24 which the debtor had an interest before extraction.

25 (7) "Authenticate" means:

26 (A) to sign; or

1           (B) with present intent to adopt or accept a  
2           record, to attach to or logically associate with the  
3           record an electronic sound, symbol, or process ~~to~~  
4           ~~execute or otherwise adopt a symbol, or encrypt or~~  
5           ~~similarly process a record in whole or in part, with~~  
6           ~~the present intent of the authenticating person to~~  
7           ~~identify the person and adopt or accept a record.~~

8           (8) "Bank" means an organization that is engaged in the  
9           business of banking. The term includes savings banks,  
10           savings and loan associations, credit unions, and trust  
11           companies.

12           (9) "Cash proceeds" means proceeds that are money,  
13           checks, deposit accounts, or the like.

14           (10) "Certificate of title" means a certificate of  
15           title with respect to which a statute provides for the  
16           security interest in question to be indicated on the  
17           certificate as a condition or result of the security  
18           interest's obtaining priority over the rights of a lien  
19           creditor with respect to the collateral. The term includes  
20           another record maintained as an alternative to a  
21           certificate of title by the governmental unit that issues  
22           certificates of title if a statute permits the security  
23           interest in question to be indicated on the record as a  
24           condition or result of the security interest's obtaining  
25           priority over the rights of a lien creditor with respect to  
26           the collateral.

1           (11) "Chattel paper" means a record or records that  
2           evidence both a monetary obligation and a security interest  
3           in specific goods, a security interest in specific goods  
4           and software used in the goods, a security interest in  
5           specific goods and license of software used in the goods, a  
6           lease of specific goods, or a lease of specified goods and  
7           a license of software used in the goods. In this paragraph,  
8           "monetary obligation" means a monetary obligation secured  
9           by the goods or owed under a lease of the goods and  
10          includes a monetary obligation with respect to software  
11          used in the goods. The term does not include (i) charters  
12          or other contracts involving the use or hire of a vessel or  
13          (ii) records that evidence a right to payment arising out  
14          of the use of a credit or charge card or information  
15          contained on or for use with the card. If a transaction is  
16          evidenced by records that include an instrument or series  
17          of instruments, the group of records taken together  
18          constitutes chattel paper.

19          (12) "Collateral" means the property subject to a  
20          security interest or agricultural lien. The term includes:

21                (A) proceeds to which a security interest  
22                attaches;

23                (B) accounts, chattel paper, payment intangibles,  
24                and promissory notes that have been sold; and

25                (C) goods that are the subject of a consignment.

26          (13) "Commercial tort claim" means a claim arising in

1 tort with respect to which:

2 (A) the claimant is an organization; or

3 (B) the claimant is an individual and the claim:

4 (i) arose in the course of the claimant's  
5 business or profession; and

6 (ii) does not include damages arising out of  
7 personal injury to or the death of an individual.

8 (14) "Commodity account" means an account maintained  
9 by a commodity intermediary in which a commodity contract  
10 is carried for a commodity customer.

11 (15) "Commodity contract" means a commodity futures  
12 contract, an option on a commodity futures contract, a  
13 commodity option, or another contract if the contract or  
14 option is:

15 (A) traded on or subject to the rules of a board of  
16 trade that has been designated as a contract market for  
17 such a contract pursuant to federal commodities laws;  
18 or

19 (B) traded on a foreign commodity board of trade,  
20 exchange, or market, and is carried on the books of a  
21 commodity intermediary for a commodity customer.

22 (16) "Commodity customer" means a person for which a  
23 commodity intermediary carries a commodity contract on its  
24 books.

25 (17) "Commodity intermediary" means a person that:

26 (A) is registered as a futures commission merchant

1 under federal commodities law; or

2 (B) in the ordinary course of its business provides  
3 clearance or settlement services for a board of trade  
4 that has been designated as a contract market pursuant  
5 to federal commodities law.

6 (18) "Communicate" means:

7 (A) to send a written or other tangible record;

8 (B) to transmit a record by any means agreed upon  
9 by the persons sending and receiving the record; or

10 (C) in the case of transmission of a record to or  
11 by a filing office, to transmit a record by any means  
12 prescribed by filing-office rule.

13 (19) "Consignee" means a merchant to which goods are  
14 delivered in a consignment.

15 (20) "Consignment" means a transaction, regardless of  
16 its form, in which a person delivers goods to a merchant  
17 for the purpose of sale and:

18 (A) the merchant:

19 (i) deals in goods of that kind under a name  
20 other than the name of the person making delivery;

21 (ii) is not an auctioneer; and

22 (iii) is not generally known by its creditors  
23 to be substantially engaged in selling the goods of  
24 others;

25 (B) with respect to each delivery, the aggregate  
26 value of the goods is \$1,000 or more at the time of

1 delivery;

2 (C) the goods are not consumer goods immediately  
3 before delivery; and

4 (D) the transaction does not create a security  
5 interest that secures an obligation.

6 (21) "Consignor" means a person that delivers goods to  
7 a consignee in a consignment.

8 (22) "Consumer debtor" means a debtor in a consumer  
9 transaction.

10 (23) "Consumer goods" means goods that are used or  
11 bought for use primarily for personal, family, or household  
12 purposes.

13 (24) "Consumer-goods transaction" means a consumer  
14 transaction in which:

15 (A) an individual incurs an obligation primarily  
16 for personal, family, or household purposes; and

17 (B) a security interest in consumer goods secures  
18 the obligation.

19 (25) "Consumer obligor" means an obligor who is an  
20 individual and who incurred the obligation as part of a  
21 transaction entered into primarily for personal, family,  
22 or household purposes.

23 (26) "Consumer transaction" means a transaction in  
24 which (i) an individual incurs an obligation primarily for  
25 personal, family, or household purposes, (ii) a security  
26 interest secures the obligation, and (iii) the collateral



1 is held or acquired primarily for personal, family, or  
2 household purposes. The term includes consumer-goods  
3 transactions.

4 (27) "Continuation statement" means an amendment of a  
5 financing statement which:

6 (A) identifies, by its file number, the initial  
7 financing statement to which it relates; and

8 (B) indicates that it is a continuation statement  
9 for, or that it is filed to continue the effectiveness  
10 of, the identified financing statement.

11 (28) "Debtor" means:

12 (A) a person having an interest, other than a  
13 security interest or other lien, in the collateral,  
14 whether or not the person is an obligor;

15 (B) a seller of accounts, chattel paper, payment  
16 intangibles, or promissory notes; or

17 (C) a consignee.

18 (29) "Deposit account" means a demand, time, savings,  
19 passbook, nonnegotiable certificates of deposit,  
20 uncertificated certificates of deposit, nontransferrable  
21 certificates of deposit, or similar account maintained  
22 with a bank. The term does not include investment property  
23 or accounts evidenced by an instrument.

24 (30) "Document" means a document of title or a receipt  
25 of the type described in Section 7-201(b).

26 (31) "Electronic chattel paper" means chattel paper

1 evidenced by a record or records consisting of information  
2 stored in an electronic medium.

3 (32) "Encumbrance" means a right, other than an  
4 ownership interest, in real property. The term includes  
5 mortgages and other liens on real property.

6 (33) "Equipment" means goods other than inventory,  
7 farm products, or consumer goods.

8 (34) "Farm products" means goods, other than standing  
9 timber, with respect to which the debtor is engaged in a  
10 farming operation and which are:

11 (A) crops grown, growing, or to be grown,  
12 including:

13 (i) crops produced on trees, vines, and  
14 bushes; and

15 (ii) aquatic goods produced in aquacultural  
16 operations;

17 (B) livestock, born or unborn, including aquatic  
18 goods produced in aquacultural operations;

19 (C) supplies used or produced in a farming  
20 operation; or

21 (D) products of crops or livestock in their  
22 unmanufactured states.

23 (35) "Farming operation" means raising, cultivating,  
24 propagating, fattening, grazing, or any other farming,  
25 livestock, or aquacultural operation.

26 (36) "File number" means the number assigned to an

1 initial financing statement pursuant to Section 9-519(a).

2 (37) "Filing office" means an office designated in  
3 Section 9-501 as the place to file a financing statement.

4 (38) "Filing-office rule" means a rule adopted  
5 pursuant to Section 9-526.

6 (39) "Financing statement" means a record or records  
7 composed of an initial financing statement and any filed  
8 record relating to the initial financing statement.

9 (40) "Fixture filing" means the filing of a financing  
10 statement covering goods that are or are to become fixtures  
11 and satisfying Section 9-502(a) and (b). The term includes  
12 the filing of a financing statement covering goods of a  
13 transmitting utility which are or are to become fixtures.

14 (41) "Fixtures" means goods that have become so related  
15 to particular real property that an interest in them arises  
16 under real property law.

17 (42) "General intangible" means any personal property,  
18 including things in action, other than accounts, chattel  
19 paper, commercial tort claims, deposit accounts,  
20 documents, goods, instruments, investment property,  
21 letter-of-credit rights, letters of credit, money, and  
22 oil, gas, or other minerals before extraction. The term  
23 includes payment intangibles and software.

24 (43) "Good faith" means honesty in fact and the  
25 observance of reasonable commercial standards of fair  
26 dealing.

1           (44) "Goods" means all things that are movable when a  
2 security interest attaches. The term includes (i)  
3 fixtures, (ii) standing timber that is to be cut and  
4 removed under a conveyance or contract for sale, (iii) the  
5 unborn young of animals, (iv) crops grown, growing, or to  
6 be grown, even if the crops are produced on trees, vines,  
7 or bushes, and (v) manufactured homes. The term also  
8 includes a computer program embedded in goods and any  
9 supporting information provided in connection with a  
10 transaction relating to the program if (i) the program is  
11 associated with the goods in such a manner that it  
12 customarily is considered part of the goods, or (ii) by  
13 becoming the owner of the goods, a person acquires a right  
14 to use the program in connection with the goods. The term  
15 does not include a computer program embedded in goods that  
16 consist solely of the medium in which the program is  
17 embedded. The term also does not include accounts, chattel  
18 paper, commercial tort claims, deposit accounts,  
19 documents, general intangibles, instruments, investment  
20 property, letter-of-credit rights, letters of credit,  
21 money, or oil, gas, or other minerals before extraction.

22           (45) "Governmental unit" means a subdivision, agency,  
23 department, county, parish, municipality, or other unit of  
24 the government of the United States, a State, or a foreign  
25 country. The term includes an organization having a  
26 separate corporate existence if the organization is

1 eligible to issue debt on which interest is exempt from  
2 income taxation under the laws of the United States.

3 (46) "Health-care-insurance receivable" means an  
4 interest in or claim under a policy of insurance which is a  
5 right to payment of a monetary obligation for health-care  
6 goods or services provided.

7 (47) "Instrument" means a negotiable instrument or any  
8 other writing that evidences a right to the payment of a  
9 monetary obligation, is not itself a security agreement or  
10 lease, and is of a type that in ordinary course of business  
11 is transferred by delivery with any necessary indorsement  
12 or assignment. The term does not include (i) investment  
13 property, (ii) letters of credit, (iii) nonnegotiable  
14 certificates of deposit, (iv) uncertificated certificates  
15 of deposit, (v) nontransferrable certificates of deposit,  
16 or (vi) writings that evidence a right to payment arising  
17 out of the use of a credit or charge card or information  
18 contained on or for use with the card.

19 (48) "Inventory" means goods, other than farm  
20 products, which:

21 (A) are leased by a person as lessor;

22 (B) are held by a person for sale or lease or to be  
23 furnished under a contract of service;

24 (C) are furnished by a person under a contract of  
25 service; or

26 (D) consist of raw materials, work in process, or

1 materials used or consumed in a business.

2 (49) "Investment property" means a security, whether  
3 certificated or uncertificated, security entitlement,  
4 securities account, commodity contract, or commodity  
5 account.

6 (50) "Jurisdiction of organization", with respect to a  
7 registered organization, means the jurisdiction under  
8 whose law the organization is formed or organized.

9 (51) "Letter-of-credit right" means a right to payment  
10 or performance under a letter of credit, whether or not the  
11 beneficiary has demanded or is at the time entitled to  
12 demand payment or performance. The term does not include  
13 the right of a beneficiary to demand payment or performance  
14 under a letter of credit.

15 (52) "Lien creditor" means:

16 (A) a creditor that has acquired a lien on the  
17 property involved by attachment, levy, or the like;

18 (B) an assignee for benefit of creditors from the  
19 time of assignment;

20 (C) a trustee in bankruptcy from the date of the  
21 filing of the petition; or

22 (D) a receiver in equity from the time of  
23 appointment.

24 (53) "Manufactured home" means a factory-assembled,  
25 completely integrated structure designed for permanent  
26 habitation, with a permanent chassis, and so constructed as

1 to permit its transport, on wheels temporarily or  
2 permanently attached to its frame, and is a movable or  
3 portable unit that is (i) 8 body feet or more in width,  
4 (ii) 40 body feet or more in length, and (iii) 320 or more  
5 square feet, constructed to be towed on its own chassis  
6 (comprised of frame and wheels) from the place of its  
7 construction to the location, or subsequent locations, at  
8 which it is installed and set up according to the  
9 manufacturer's instructions and connected to utilities for  
10 year-round occupancy for use as a permanent habitation, and  
11 designed and situated so as to permit its occupancy as a  
12 dwelling place for one or more persons. The term shall  
13 include units containing parts that may be folded,  
14 collapsed, or telescoped when being towed and that may be  
15 expected to provide additional cubic capacity, and that are  
16 designed to be joined into one integral unit capable of  
17 being separated again into the components for repeated  
18 towing. The term shall exclude campers and recreational  
19 vehicles.

20 (54) "Manufactured-home transaction" means a secured  
21 transaction:

22 (A) that creates a purchase-money security  
23 interest in a manufactured home, other than a  
24 manufactured home held as inventory; or

25 (B) in which a manufactured home, other than a  
26 manufactured home held as inventory, is the primary

1 collateral.

2 (55) "Mortgage" means a consensual interest in real  
3 property, including fixtures, which secures payment or  
4 performance of an obligation.

5 (56) "New debtor" means a person that becomes bound as  
6 debtor under Section 9-203(d) by a security agreement  
7 previously entered into by another person.

8 (57) "New value" means (i) money, (ii) money's worth in  
9 property, services, or new credit, or (iii) release by a  
10 transferee of an interest in property previously  
11 transferred to the transferee. The term does not include an  
12 obligation substituted for another obligation.

13 (58) "Noncash proceeds" means proceeds other than cash  
14 proceeds.

15 (59) "Obligor" means a person that, with respect to an  
16 obligation secured by a security interest in or an  
17 agricultural lien on the collateral, (i) owes payment or  
18 other performance of the obligation, (ii) has provided  
19 property other than the collateral to secure payment or  
20 other performance of the obligation, or (iii) is otherwise  
21 accountable in whole or in part for payment or other  
22 performance of the obligation. The term does not include  
23 issuers or nominated persons under a letter of credit.

24 (60) "Original debtor", except as used in Section  
25 9-310(c), means a person that, as debtor, entered into a  
26 security agreement to which a new debtor has become bound



1 under Section 9-203(d).

2 (61) "Payment intangible" means a general intangible  
3 under which the account debtor's principal obligation is a  
4 monetary obligation.

5 (62) "Person related to", with respect to an  
6 individual, means:

7 (A) the spouse of the individual;

8 (B) a brother, brother-in-law, sister, or  
9 sister-in-law of the individual;

10 (C) an ancestor or lineal descendant of the  
11 individual or the individual's spouse; or

12 (D) any other relative, by blood or marriage, of  
13 the individual or the individual's spouse who shares  
14 the same home with the individual.

15 (63) "Person related to", with respect to an  
16 organization, means:

17 (A) a person directly or indirectly controlling,  
18 controlled by, or under common control with the  
19 organization;

20 (B) an officer or director of, or a person  
21 performing similar functions with respect to, the  
22 organization;

23 (C) an officer or director of, or a person  
24 performing similar functions with respect to, a person  
25 described in subparagraph (A);

26 (D) the spouse of an individual described in

1           subparagraph (A), (B), or (C); or

2           (E) an individual who is related by blood or  
3 marriage to an individual described in subparagraph  
4 (A), (B), (C), or (D) and shares the same home with the  
5 individual.

6           (64) "Proceeds", except as used in Section 9-609(b),  
7 means the following property:

8           (A) whatever is acquired upon the sale, lease,  
9 license, exchange, or other disposition of collateral;

10           (B) whatever is collected on, or distributed on  
11 account of, collateral;

12           (C) rights arising out of collateral;

13           (D) to the extent of the value of collateral,  
14 claims arising out of the loss, nonconformity, or  
15 interference with the use of, defects or infringement  
16 of rights in, or damage to, the collateral; or

17           (E) to the extent of the value of collateral and to  
18 the extent payable to the debtor or the secured party,  
19 insurance payable by reason of the loss or  
20 nonconformity of, defects or infringement of rights  
21 in, or damage to, the collateral.

22           (65) "Promissory note" means an instrument that  
23 evidences a promise to pay a monetary obligation, does not  
24 evidence an order to pay, and does not contain an  
25 acknowledgment by a bank that the bank has received for  
26 deposit a sum of money or funds.

1           (66) "Proposal" means a record authenticated by a  
2 secured party which includes the terms on which the secured  
3 party is willing to accept collateral in full or partial  
4 satisfaction of the obligation it secures pursuant to  
5 Sections 9-620, 9-621, and 9-622.

6           (67) "Public-finance transaction" means a secured  
7 transaction in connection with which:

8                   (A) debt securities are issued;

9                   (B) all or a portion of the securities issued have  
10 an initial stated maturity of at least 20 years; and

11                   (C) the debtor, obligor, secured party, account  
12 debtor or other person obligated on collateral,  
13 assignor or assignee of a secured obligation, or  
14 assignor or assignee of a security interest is a State  
15 or a governmental unit of a State.

16           (68) "Public organic record" means a record that is  
17 available to the public for inspection and is:

18                   (A) a record consisting of the record initially  
19 filed with or issued by a State or the United States to  
20 form or organize an organization and any record filed  
21 with or issued by the State or the United States which  
22 amends or restates the initial record;

23                   (B) an organic record of a business trust  
24 consisting of the record initially filed with a State  
25 and any record filed with the State which amends or  
26 restates the initial record, if a statute of the State

1 governing business trusts requires that the record be  
2 filed with the State; or

3 (C) a record consisting of legislation enacted by  
4 the legislature of a State or the Congress of the  
5 United States which forms or organizes an  
6 organization, any record amending the legislation, and  
7 any record filed with or issued by the State or the  
8 United States which amends or restates the name of the  
9 organization.

10 (69) ~~(68)~~ "Pursuant to commitment", with respect to an  
11 advance made or other value given by a secured party, means  
12 pursuant to the secured party's obligation, whether or not  
13 a subsequent event of default or other event not within the  
14 secured party's control has relieved or may relieve the  
15 secured party from its obligation.

16 (70) ~~(69)~~ "Record", except as used in "for record", "of  
17 record", "record or legal title", and "record owner", means  
18 information that is inscribed on a tangible medium or which  
19 is stored in an electronic or other medium and is  
20 retrievable in perceivable form.

21 (71) ~~(70)~~ "Registered organization" means an  
22 organization formed or organized solely under the law of a  
23 single State or the United States by the filing of a public  
24 organic record with, the issuance of a public organic  
25 record by, or the enactment of legislation by the State or  
26 the United States. The term includes a business trust that

1        is formed or organized under the law of a single State if a  
2        statute of the State governing business trusts requires  
3        that the business trust's organic record be filed with the  
4        State and as to which the State or the United States must  
5        ~~maintain a public record showing the organization to have~~  
6        ~~been organized.~~

7        (72) ~~(71)~~ "Secondary obligor" means an obligor to the  
8        extent that:

9                (A) the obligor's obligation is secondary; or

10                (B) the obligor has a right of recourse with  
11        respect to an obligation secured by collateral against  
12        the debtor, another obligor, or property of either.

13        (73) ~~(72)~~ "Secured party" means:

14                (A) a person in whose favor a security interest is  
15        created or provided for under a security agreement,  
16        whether or not any obligation to be secured is  
17        outstanding;

18                (B) a person that holds an agricultural lien;

19                (C) a consignor;

20                (D) a person to which accounts, chattel paper,  
21        payment intangibles, or promissory notes have been  
22        sold;

23                (E) a trustee, indenture trustee, agent,  
24        collateral agent, or other representative in whose  
25        favor a security interest or agricultural lien is  
26        created or provided for; or

1 (F) a person that holds a security interest arising  
2 under Section 2-401, 2-505, 2-711(3), 2A-508(5),  
3 4-210, or 5-118.

4 (74) ~~(73)~~ "Security agreement" means an agreement that  
5 creates or provides for a security interest.

6 (75) ~~(74)~~ "Send", in connection with a record or  
7 notification, means:

8 (A) to deposit in the mail, deliver for  
9 transmission, or transmit by any other usual means of  
10 communication, with postage or cost of transmission  
11 provided for, addressed to any address reasonable  
12 under the circumstances; or

13 (B) to cause the record or notification to be  
14 received within the time that it would have been  
15 received if properly sent under subparagraph (A).

16 (76) ~~(75)~~ "Software" means a computer program and any  
17 supporting information provided in connection with a  
18 transaction relating to the program. The term does not  
19 include a computer program that is included in the  
20 definition of goods.

21 (77) ~~(76)~~ "State" means a State of the United States,  
22 the District of Columbia, Puerto Rico, the United States  
23 Virgin Islands, or any territory or insular possession  
24 subject to the jurisdiction of the United States.

25 (78) ~~(77)~~ "Supporting obligation" means a  
26 letter-of-credit right or secondary obligation that

1 supports the payment or performance of an account, chattel  
2 paper, a document, a general intangible, an instrument, or  
3 investment property.

4 (79) ~~(78)~~ "Tangible chattel paper" means chattel paper  
5 evidenced by a record or records consisting of information  
6 that is inscribed on a tangible medium.

7 (80) ~~(79)~~ "Termination statement" means an amendment  
8 of a financing statement which:

9 (A) identifies, by its file number, the initial  
10 financing statement to which it relates; and

11 (B) indicates either that it is a termination  
12 statement or that the identified financing statement  
13 is no longer effective.

14 (81) ~~(80)~~ "Transmitting utility" means a person  
15 primarily engaged in the business of:

16 (A) operating a railroad, subway, street railway,  
17 or trolley bus;

18 (B) transmitting communications electrically,  
19 electromagnetically, or by light;

20 (C) transmitting goods by pipeline or sewer; or

21 (D) transmitting or producing and transmitting  
22 electricity, steam, gas, or water.

23 (b) Definitions in other Articles. "Control" as provided in  
24 Section 7-106 and the following definitions in other Articles  
25 apply to this Article:

26 "Applicant". Section 5-102.

1 "Beneficiary". Section 5-102.  
2 "Broker". Section 8-102.  
3 "Certificated security". Section 8-102.  
4 "Check". Section 3-104.  
5 "Clearing corporation". Section 8-102.  
6 "Contract for sale". Section 2-106.  
7 "Customer". Section 4-104.  
8 "Entitlement holder". Section 8-102.  
9 "Financial asset". Section 8-102.  
10 "Holder in due course". Section 3-302.  
11 "Issuer" (with respect to a letter of credit or  
12 letter-of-credit right). Section 5-102.  
13 "Issuer" (with respect to a security). Section 8-201.  
14 "Issuer" (with respect to documents of title). Section  
15 7-102.  
16 "Lease". Section 2A-103.  
17 "Lease agreement". Section 2A-103.  
18 "Lease contract". Section 2A-103.  
19 "Leasehold interest". Section 2A-103.  
20 "Lessee". Section 2A-103.  
21 "Lessee in ordinary course of business". Section 2A-103.  
22 "Lessor". Section 2A-103.  
23 "Lessor's residual interest". Section 2A-103.  
24 "Letter of credit". Section 5-102.  
25 "Merchant". Section 2-104.  
26 "Negotiable instrument". Section 3-104.



1 "Nominated person". Section 5-102.

2 "Note". Section 3-104.

3 "Proceeds of a letter of credit". Section 5-114.

4 "Prove". Section 3-103.

5 "Sale". Section 2-106.

6 "Securities account". Section 8-501.

7 "Securities intermediary". Section 8-102.

8 "Security". Section 8-102.

9 "Security certificate". Section 8-102.

10 "Security entitlement". Section 8-102.

11 "Uncertificated security". Section 8-102.

12 (c) Article 1 definitions and principles. Article 1  
13 contains general definitions and principles of construction  
14 and interpretation applicable throughout this Article.

15 (Source: P.A. 95-895, eff. 1-1-09; 96-1477, eff. 1-1-11.)

16 (810 ILCS 5/9-105) (from Ch. 26, par. 9-105)

17 Sec. 9-105. Control of electronic chattel paper.

18 (a) A secured party has control of electronic chattel paper  
19 if a system employed for evidencing the transfer of interests  
20 in the chattel paper reliably establishes the secured party as  
21 the person to which the chattel paper was assigned.

22 (b) A system satisfies subsection (a) if the record or  
23 records comprising the chattel paper are created, stored, and  
24 assigned in such a manner that:

25 (1) a single authoritative copy of the record or

1 records exists which is unique, identifiable and, except as  
2 otherwise provided in paragraphs (4), (5), and (6),  
3 unalterable;

4 (2) the authoritative copy identifies the secured  
5 party as the assignee of the record or records;

6 (3) the authoritative copy is communicated to and  
7 maintained by the secured party or its designated  
8 custodian;

9 (4) copies or amendments ~~revisions~~ that add or change  
10 an identified assignee of the authoritative copy can be  
11 made only with the consent ~~participation~~ of the secured  
12 party;

13 (5) each copy of the authoritative copy and any copy of  
14 a copy is readily identifiable as a copy that is not the  
15 authoritative copy; and

16 (6) any amendment ~~revision~~ of the authoritative copy is  
17 readily identifiable as ~~an~~ authorized or unauthorized  
18 ~~revision~~.

19 (Source: P.A. 90-665, eff. 7-30-98; 91-893, eff. 7-1-01.)

20 (810 ILCS 5/9-307) (from Ch. 26, par. 9-307)

21 Sec. 9-307. Location of debtor.

22 (a) "Place of business." In this Section, "place of  
23 business" means a place where a debtor conducts its affairs.

24 (b) Debtor's location: general rules. Except as otherwise  
25 provided in this Section, the following rules determine a

1 debtor's location:

2 (1) A debtor who is an individual is located at the  
3 individual's principal residence.

4 (2) A debtor that is an organization and has only one  
5 place of business is located at its place of business.

6 (3) A debtor that is an organization and has more than  
7 one place of business is located at its chief executive  
8 office.

9 (c) Limitation of applicability of subsection (b).  
10 Subsection (b) applies only if a debtor's residence, place of  
11 business, or chief executive office, as applicable, is located  
12 in a jurisdiction whose law generally requires information  
13 concerning the existence of a nonpossessory security interest  
14 to be made generally available in a filing, recording, or  
15 registration system as a condition or result of the security  
16 interest's obtaining priority over the rights of a lien  
17 creditor with respect to the collateral. If subsection (b) does  
18 not apply, the debtor is located in the District of Columbia.

19 (d) Continuation of location: cessation of existence, etc.  
20 A person that ceases to exist, have a residence, or have a  
21 place of business continues to be located in the jurisdiction  
22 specified by subsections (b) and (c).

23 (e) Location of registered organization organized under  
24 State law. A registered organization that is organized under  
25 the law of a State is located in that State.

26 (f) Location of registered organization organized under

1 federal law; bank branches and agencies. Except as otherwise  
2 provided in subsection (i), a registered organization that is  
3 organized under the law of the United States and a branch or  
4 agency of a bank that is not organized under the law of the  
5 United States or a State are located:

6 (1) in the State that the law of the United States  
7 designates, if the law designates a State of location;

8 (2) in the State that the registered organization,  
9 branch, or agency designates, if the law of the United  
10 States authorizes the registered organization, branch, or  
11 agency to designate its State of location, including by  
12 designating its main office, home office, or other  
13 comparable office; or

14 (3) in the District of Columbia, if neither paragraph  
15 (1) nor paragraph (2) applies.

16 (g) Continuation of location: change in status of  
17 registered organization. A registered organization continues  
18 to be located in the jurisdiction specified by subsection (e)  
19 or (f) notwithstanding:

20 (1) the suspension, revocation, forfeiture, or lapse  
21 of the registered organization's status as such in its  
22 jurisdiction of organization; or

23 (2) the dissolution, winding up, or cancellation of the  
24 existence of the registered organization.

25 (h) Location of United States. The United States is located  
26 in the District of Columbia.

1 (i) Location of foreign bank branch or agency if licensed  
2 in only one State. A branch or agency of a bank that is not  
3 organized under the law of the United States or a State is  
4 located in the State in which the branch or agency is licensed,  
5 if all branches and agencies of the bank are licensed in only  
6 one State.

7 (j) Location of foreign air carrier. A foreign air carrier  
8 under the Federal Aviation Act of 1958, as amended, is located  
9 at the designated office of the agent upon which service of  
10 process may be made on behalf of the carrier.

11 (k) Section applies only to this Part. This Section applies  
12 only for purposes of this Part.

13 (Source: P.A. 91-357, eff. 7-29-99; 91-893, eff. 7-1-01.)

14 (810 ILCS 5/9-311) (from Ch. 26, par. 9-311)

15 Sec. 9-311. Perfection of security interests in property  
16 subject to certain statutes, regulations, and treaties.

17 (a) Security interest subject to other law. Except as  
18 otherwise provided in subsection (d), the filing of a financing  
19 statement is not necessary or effective to perfect a security  
20 interest in property subject to:

21 (1) a statute, regulation, or treaty of the United  
22 States whose requirements for a security interest's  
23 obtaining priority over the rights of a lien creditor with  
24 respect to the property preempt Section 9-310(a);

25 (2) the Illinois Vehicle Code or the Boat Registration

1 and Safety Act; or

2 (3) a ~~certificate of title~~ statute of another  
3 jurisdiction which provides for a security interest to be  
4 indicated on a the certificate of title as a condition or  
5 result of the security interest's obtaining priority over  
6 the rights of a lien creditor with respect to the property.

7 (b) Compliance with other law. Compliance with the  
8 requirements of a statute, regulation, or treaty described in  
9 subsection (a) for obtaining priority over the rights of a lien  
10 creditor is equivalent to the filing of a financing statement  
11 under this Article. Except as otherwise provided in subsection  
12 (d) and Sections 9-313 and 9-316(d) and (e) for goods covered  
13 by a certificate of title, a security interest in property  
14 subject to a statute, regulation, or treaty described in  
15 subsection (a) may be perfected only by compliance with those  
16 requirements, and a security interest so perfected remains  
17 perfected notwithstanding a change in the use or transfer of  
18 possession of the collateral.

19 (c) Duration and renewal of perfection. Except as otherwise  
20 provided in subsection (d) and Section 9-316(d) and (e),  
21 duration and renewal of perfection of a security interest  
22 perfected by compliance with the requirements prescribed by a  
23 statute, regulation, or treaty described in subsection (a) are  
24 governed by the statute, regulation, or treaty. In other  
25 respects, the security interest is subject to this Article.

26 (d) Inapplicability to certain inventory. During any

1 period in which collateral subject to a statute specified in  
2 subsection (a)(2) is inventory held for sale or lease by a  
3 person or leased by that person as lessor and that person is in  
4 the business of selling or leasing goods of that kind, this  
5 Section does not apply to a security interest in that  
6 collateral created by that person as debtor.

7 (Source: P.A. 91-893, eff. 7-1-01.)

8 (810 ILCS 5/9-316) (from Ch. 26, par. 9-316)

9 Sec. 9-316. Effect of ~~Continued perfection of security~~  
10 ~~interest following~~ change in governing law.

11 (a) General rule: effect on perfection of change in  
12 governing law. A security interest perfected pursuant to the  
13 law of the jurisdiction designated in Section 9-301(1) or  
14 9-305(c) remains perfected until the earliest of:

15 (1) the time perfection would have ceased under the law  
16 of that jurisdiction;

17 (2) the expiration of four months after a change of the  
18 debtor's location to another jurisdiction; or

19 (3) the expiration of one year after a transfer of  
20 collateral to a person that thereby becomes a debtor and is  
21 located in another jurisdiction.

22 (b) Security interest perfected or unperfected under law of  
23 new jurisdiction. If a security interest described in  
24 subsection (a) becomes perfected under the law of the other  
25 jurisdiction before the earliest time or event described in

1 that subsection, it remains perfected thereafter. If the  
2 security interest does not become perfected under the law of  
3 the other jurisdiction before the earliest time or event, it  
4 becomes unperfected and is deemed never to have been perfected  
5 as against a purchaser of the collateral for value.

6 (c) Possessory security interest in collateral moved to new  
7 jurisdiction. A possessory security interest in collateral,  
8 other than goods covered by a certificate of title and  
9 as-extracted collateral consisting of goods, remains  
10 continuously perfected if:

11 (1) the collateral is located in one jurisdiction and  
12 subject to a security interest perfected under the law of  
13 that jurisdiction;

14 (2) thereafter the collateral is brought into another  
15 jurisdiction; and

16 (3) upon entry into the other jurisdiction, the  
17 security interest is perfected under the law of the other  
18 jurisdiction.

19 (d) Goods covered by certificate of title from this State.  
20 Except as otherwise provided in subsection (e), a security  
21 interest in goods covered by a certificate of title which is  
22 perfected by any method under the law of another jurisdiction  
23 when the goods become covered by a certificate of title from  
24 this State remains perfected until the security interest would  
25 have become unperfected under the law of the other jurisdiction  
26 had the goods not become so covered.



1           (e) When subsection (d) security interest becomes  
2 unperfected against purchasers. A security interest described  
3 in subsection (d) becomes unperfected as against a purchaser of  
4 the goods for value and is deemed never to have been perfected  
5 as against a purchaser of the goods for value if the applicable  
6 requirements for perfection under Section 9-311(b) or 9-313 are  
7 not satisfied before the earlier of:

8           (1) the time the security interest would have become  
9 unperfected under the law of the other jurisdiction had the  
10 goods not become covered by a certificate of title from  
11 this State; or

12           (2) the expiration of four months after the goods had  
13 become so covered.

14           (f) Change in jurisdiction of bank, issuer, nominated  
15 person, securities intermediary, or commodity intermediary. A  
16 security interest in deposit accounts, letter-of-credit  
17 rights, or investment property which is perfected under the law  
18 of the bank's jurisdiction, the issuer's jurisdiction, a  
19 nominated person's jurisdiction, the securities intermediary's  
20 jurisdiction, or the commodity intermediary's jurisdiction, as  
21 applicable, remains perfected until the earlier of:

22           (1) the time the security interest would have become  
23 unperfected under the law of that jurisdiction; or

24           (2) the expiration of four months after a change of the  
25 applicable jurisdiction to another jurisdiction.

26           (g) Subsection (f) security interest perfected or

1 unperfected under law of new jurisdiction. If a security  
2 interest described in subsection (f) becomes perfected under  
3 the law of the other jurisdiction before the earlier of the  
4 time or the end of the period described in that subsection, it  
5 remains perfected thereafter. If the security interest does not  
6 become perfected under the law of the other jurisdiction before  
7 the earlier of that time or the end of that period, it becomes  
8 unperfected and is deemed never to have been perfected as  
9 against a purchaser of the collateral for value.

10 (h) Effect on filed financing statement of change in  
11 governing law. The following rules apply to collateral to which  
12 a security interest attaches within four months after the  
13 debtor changes its location to another jurisdiction:

14 (1) A financing statement filed before the change  
15 pursuant to the law of the jurisdiction designated in  
16 Section 9-301(1) or 9-305(c) is effective to perfect a  
17 security interest in the collateral if the financing  
18 statement would have been effective to perfect a security  
19 interest in the collateral had the debtor not changed its  
20 location.

21 (2) If a security interest perfected by a financing  
22 statement that is effective under paragraph (1) becomes  
23 perfected under the law of the other jurisdiction before  
24 the earlier of the time the financing statement would have  
25 become ineffective under the law of the jurisdiction  
26 designated in Section 9-301(1) or 9-305(c) or the

1 expiration of the four-month period, it remains perfected  
2 thereafter. If the security interest does not become  
3 perfected under the law of the other jurisdiction before  
4 the earlier time or event, it becomes unperfected and is  
5 deemed never to have been perfected as against a purchaser  
6 of the collateral for value.

7 (i) Effect of change in governing law on financing  
8 statement filed against original debtor. If a financing  
9 statement naming an original debtor is filed pursuant to the  
10 law of the jurisdiction designated in Section 9-301(1) or  
11 9-305(c) and the new debtor is located in another jurisdiction,  
12 the following rules apply:

13 (1) The financing statement is effective to perfect a  
14 security interest in collateral acquired by the new debtor  
15 before, and within four months after, the new debtor  
16 becomes bound under Section 9-203(d), if the financing  
17 statement would have been effective to perfect a security  
18 interest in the collateral had the collateral been acquired  
19 by the original debtor.

20 (2) A security interest perfected by the financing  
21 statement and which becomes perfected under the law of the  
22 other jurisdiction before the earlier of the time the  
23 financing statement would have become ineffective under  
24 the law of the jurisdiction designated in Section 9-301(1)  
25 or 9-305(c) or the expiration of the four-month period  
26 remains perfected thereafter. A security interest that is

1       perfected by the financing statement but which does not  
2       become perfected under the law of the other jurisdiction  
3       before the earlier time or event becomes unperfected and is  
4       deemed never to have been perfected as against a purchaser  
5       of the collateral for value.

6       (Source: P.A. 91-893, eff. 7-1-01.)

7           (810 ILCS 5/9-317) (from Ch. 26, par. 9-317)

8           Sec. 9-317. Interests that take priority over or take free  
9       of security interest or agricultural lien.

10          (a) Conflicting security interests and rights of lien  
11       creditors. A security interest or agricultural lien is  
12       subordinate to the rights of:

13           (1) a person entitled to priority under Section 9-322;

14       and

15           (2) except as otherwise provided in subsection (e) or  
16       (f), a person that becomes a lien creditor before the  
17       earlier of the time:

18           (A) the security interest or agricultural lien is  
19       perfected; or

20           (B) one of the conditions specified in Section  
21       9-203(b)(3) is met and a financing statement covering  
22       the collateral is filed.

23          (b) Buyers that receive delivery. Except as otherwise  
24       provided in subsection (e), a buyer, other than a secured  
25       party, of tangible chattel paper, tangible documents, goods,

1 instruments, or a certificated security ~~security certificate~~  
2 takes free of a security interest or agricultural lien if the  
3 buyer gives value and receives delivery of the collateral  
4 without knowledge of the security interest or agricultural lien  
5 and before it is perfected.

6 (c) Lessees that receive delivery. Except as otherwise  
7 provided in subsection (e), a lessee of goods takes free of a  
8 security interest or agricultural lien if the lessee gives  
9 value and receives delivery of the collateral without knowledge  
10 of the security interest or agricultural lien and before it is  
11 perfected.

12 (d) Licensees and buyers of certain collateral. A licensee  
13 of a general intangible or a buyer, other than a secured party,  
14 of collateral ~~accounts, electronic chattel paper, electronic~~  
15 ~~documents, general intangibles, or investment property~~ other  
16 than tangible chattel paper, tangible documents, goods,  
17 instruments, or a certificated security takes free of a  
18 security interest if the licensee or buyer gives value without  
19 knowledge of the security interest and before it is perfected.

20 (e) Purchase-money security interest. Except as otherwise  
21 provided in Sections 9-320 and 9-321, if a person files a  
22 financing statement with respect to a purchase-money security  
23 interest before or within 20 days after the debtor receives  
24 delivery of the collateral, the security interest takes  
25 priority over the rights of a buyer, lessee, or lien creditor  
26 which arise between the time the security interest attaches and

1 the time of filing.

2 (f) Public deposits. An unperfected security interest  
3 shall take priority over the rights of a lien creditor if (i)  
4 the lien creditor is a trustee or receiver of a bank or acting  
5 in furtherance of its supervisory authority over such bank and  
6 (ii) a security interest is granted by the bank to secure a  
7 deposit of public funds with the bank or a repurchase agreement  
8 with the bank pursuant to the Government Securities Act of  
9 1986, as amended.

10 (Source: P.A. 95-895, eff. 1-1-09.)

11 (810 ILCS 5/9-326)

12 Sec. 9-326. Priority of security interests created by new  
13 debtor.

14 (a) Subordination of security interest created by new  
15 debtor. Subject to subsection (b), a security interest that is  
16 created by a new debtor in collateral in which the new debtor  
17 has or acquires rights and is perfected solely by a filed  
18 financing statement that would be ineffective to perfect the  
19 security interest but for the application of Section  
20 9-316(i)(1) or 9-508 is ~~effective solely under Section 9-508 in~~  
21 ~~collateral in which a new debtor has or acquires rights is~~  
22 subordinate to a security interest in the same collateral which  
23 is perfected other than by such a filed financing statement  
24 ~~that is effective solely under Section 9-508.~~

25 (b) Priority under other provisions; multiple original

1 debtors. The other provisions of this Part determine the  
2 priority among conflicting security interests in the same  
3 collateral perfected by filed financing statements ~~that are~~  
4 ~~effective solely under Section 9-508~~. However, if the security  
5 agreements to which a new debtor became bound as debtor were  
6 not entered into by the same original debtor, the conflicting  
7 security interests rank according to priority in time of the  
8 new debtor's having become bound.

9 (Source: P.A. 91-893, eff. 7-1-01.)

10 (810 ILCS 5/9-406) (from Ch. 26, par. 9-406)

11 Sec. 9-406. Discharge of account debtor; notification of  
12 assignment; identification and proof of assignment;  
13 restrictions on assignment of accounts, chattel paper, payment  
14 intangibles, and promissory notes ineffective.

15 (a) Discharge of account debtor; effect of notification.  
16 Subject to subsections (b) through (i), an account debtor on an  
17 account, chattel paper, or a payment intangible may discharge  
18 its obligation by paying the assignor until, but not after, the  
19 account debtor receives a notification, authenticated by the  
20 assignor or the assignee, that the amount due or to become due  
21 has been assigned and that payment is to be made to the  
22 assignee. After receipt of the notification, the account debtor  
23 may discharge its obligation by paying the assignee and may not  
24 discharge the obligation by paying the assignor.

25 (b) When notification ineffective. Subject to subsection

1 (h), notification is ineffective under subsection (a):

2 (1) if it does not reasonably identify the rights  
3 assigned;

4 (2) to the extent that an agreement between an account  
5 debtor and a seller of a payment intangible limits the  
6 account debtor's duty to pay a person other than the seller  
7 and the limitation is effective under law other than this  
8 Article; or

9 (3) at the option of an account debtor, if the  
10 notification notifies the account debtor to make less than  
11 the full amount of any installment or other periodic  
12 payment to the assignee, even if:

13 (A) only a portion of the account, chattel paper,  
14 or payment intangible has been assigned to that  
15 assignee;

16 (B) a portion has been assigned to another  
17 assignee; or

18 (C) the account debtor knows that the assignment to  
19 that assignee is limited.

20 (c) Proof of assignment. Subject to subsection (h), if  
21 requested by the account debtor, an assignee shall seasonably  
22 furnish reasonable proof that the assignment has been made.  
23 Unless the assignee complies, the account debtor may discharge  
24 its obligation by paying the assignor, even if the account  
25 debtor has received a notification under subsection (a).

26 (d) Term restricting assignment generally ineffective.



1 Except as otherwise provided in subsection (e) and Sections  
2 2A-303 and 9-407, and subject to subsection (h), a term in an  
3 agreement between an account debtor and an assignor or in a  
4 promissory note is ineffective to the extent that it:

5 (1) prohibits, restricts, or requires the consent of  
6 the account debtor or person obligated on the promissory  
7 note to the assignment or transfer of, or the creation,  
8 attachment, perfection, or enforcement of a security  
9 interest in, the account, chattel paper, payment  
10 intangible, or promissory note; or

11 (2) provides that the assignment or transfer or the  
12 creation, attachment, perfection, or enforcement of the  
13 security interest may give rise to a default, breach, right  
14 of recoupment, claim, defense, termination, right of  
15 termination, or remedy under the account, chattel paper,  
16 payment intangible, or promissory note.

17 (e) Inapplicability of subsection (d) to certain sales.  
18 Subsection (d) does not apply to the sale of a payment  
19 intangible or promissory note, other than a sale pursuant to a  
20 disposition under Section 9-610 or an acceptance of collateral  
21 under Section 9-620.

22 (f) Legal restrictions on assignment generally  
23 ineffective. Except as otherwise provided in Sections 2A-303  
24 and 9-407 and subject to subsections (h) and (i), a rule of  
25 law, statute, or regulation that prohibits, restricts, or  
26 requires the consent of a government, governmental body or

1 official, or account debtor to the assignment or transfer of,  
2 or creation of a security interest in, an account or chattel  
3 paper is ineffective to the extent that the rule of law,  
4 statute, or regulation:

5 (1) prohibits, restricts, or requires the consent of  
6 the government, governmental body or official, or account  
7 debtor to the assignment or transfer of, or the creation,  
8 attachment, perfection, or enforcement of a security  
9 interest in the account or chattel paper; or

10 (2) provides that the assignment or transfer or the  
11 creation, attachment, perfection, or enforcement of the  
12 security interest may give rise to a default, breach, right  
13 of recoupment, claim, defense, termination, right of  
14 termination, or remedy under the account or chattel paper.

15 (g) Subsection (b)(3) not waivable. Subject to subsection  
16 (h), an account debtor may not waive or vary its option under  
17 subsection (b)(3).

18 (h) Rule for individual under other law. This Section is  
19 subject to law other than this Article which establishes a  
20 different rule for an account debtor who is an individual and  
21 who incurred the obligation primarily for personal, family, or  
22 household purposes.

23 (i) Inapplicability to health-care-insurance receivable.  
24 This Section does not apply to an assignment of a  
25 health-care-insurance receivable.

26 (Source: P.A. 91-893, eff. 7-1-01.)

1 (810 ILCS 5/9-408) (from Ch. 26, par. 9-408)

2 Sec. 9-408. Restrictions on assignment of promissory  
3 notes, health-care-insurance receivables, and certain general  
4 intangibles ineffective.

5 (a) Term restricting assignment generally ineffective.  
6 Except as otherwise provided in subsection (b), a term in a  
7 promissory note or in an agreement between an account debtor  
8 and a debtor which relates to a health-care-insurance  
9 receivable or a general intangible, including a contract,  
10 permit, license, or franchise, and which term prohibits,  
11 restricts, or requires the consent of the person obligated on  
12 the promissory note or the account debtor to, the assignment or  
13 transfer of, or creation, attachment, or perfection of a  
14 security interest in, the promissory note,  
15 health-care-insurance receivable, or general intangible, is  
16 ineffective to the extent that the term:

17 (1) would impair the creation, attachment, or  
18 perfection of a security interest; or

19 (2) provides that the assignment or transfer or the  
20 creation, attachment, or perfection of the security  
21 interest may give rise to a default, breach, right of  
22 recoupment, claim, defense, termination, right of  
23 termination, or remedy under the promissory note,  
24 health-care-insurance receivable, or general intangible.

25 (b) Applicability of subsection (a) to sales of certain

1 rights to payment. Subsection (a) applies to a security  
2 interest in a payment intangible or promissory note only if the  
3 security interest arises out of a sale of the payment  
4 intangible or promissory note, other than a sale pursuant to a  
5 disposition under Section 9-610 or an acceptance of collateral  
6 under Section 9-620.

7 (c) Legal restrictions on assignment generally  
8 ineffective. A rule of law, statute, or regulation that  
9 prohibits, restricts, or requires the consent of a government,  
10 governmental body or official, person obligated on a promissory  
11 note, or account debtor to the assignment or transfer of, or  
12 creation of a security interest in, a promissory note,  
13 health-care-insurance receivable, or general intangible,  
14 including a contract, permit, license, or franchise between an  
15 account debtor and a debtor, is ineffective to the extent that  
16 the rule of law, statute, or regulation:

17 (1) would impair the creation, attachment, or  
18 perfection of a security interest; or

19 (2) provides that the assignment or transfer or the  
20 creation, attachment, or perfection of the security  
21 interest may give rise to a default, breach, right of  
22 recoupment, claim, defense, termination, right of  
23 termination, or remedy under the promissory note,  
24 health-care-insurance receivable, or general intangible.

25 (d) Limitation on ineffectiveness under subsections (a)  
26 and (c). To the extent that a term in a promissory note or in an

1 agreement between an account debtor and a debtor which relates  
2 to a health-care-insurance receivable or general intangible or  
3 a rule of law, statute, or regulation described in subsection  
4 (c) would be effective under law other than this Article but is  
5 ineffective under subsection (a) or (c), the creation,  
6 attachment, or perfection of a security interest in the  
7 promissory note, health-care-insurance receivable, or general  
8 intangible:

9 (1) is not enforceable against the person obligated on  
10 the promissory note or the account debtor;

11 (2) does not impose a duty or obligation on the person  
12 obligated on the promissory note or the account debtor;

13 (3) does not require the person obligated on the  
14 promissory note or the account debtor to recognize the  
15 security interest, pay or render performance to the secured  
16 party, or accept payment or performance from the secured  
17 party;

18 (4) does not entitle the secured party to use or assign  
19 the debtor's rights under the promissory note,  
20 health-care-insurance receivable, or general intangible,  
21 including any related information or materials furnished  
22 to the debtor in the transaction giving rise to the  
23 promissory note, health-care-insurance receivable, or  
24 general intangible;

25 (5) does not entitle the secured party to use, assign,  
26 possess, or have access to any trade secrets or

1 confidential information of the person obligated on the  
2 promissory note or the account debtor; and

3 (6) does not entitle the secured party to enforce the  
4 security interest in the promissory note,  
5 health-care-insurance receivable, or general intangible.

6 (Source: P.A. 91-893, eff. 7-1-01.)

7 (810 ILCS 5/9-502) (from Ch. 26, par. 9-502)

8 Sec. 9-502. Contents of financing statement; record of  
9 mortgage as financing statement; time of filing financing  
10 statement.

11 (a) Sufficiency of financing statement. Subject to  
12 subsection (b), a financing statement is sufficient only if it:

13 (1) provides the name of the debtor;

14 (2) provides the name of the secured party or a  
15 representative of the secured party; and

16 (3) indicates the collateral covered by the financing  
17 statement.

18 (b) Real-property-related financing statements. Except as  
19 otherwise provided in Section 9-501(b), to be sufficient, a  
20 financing statement that covers as-extracted collateral or  
21 timber to be cut, or which is filed as a fixture filing and  
22 covers goods that are or are to become fixtures, must satisfy  
23 subsection (a) and also:

24 (1) indicate that it covers this type of collateral;

25 (2) indicate that it is to be filed in the real

1 property records;

2 (3) provide a description of the real property to which  
3 the collateral is related sufficient to give constructive  
4 notice of a mortgage under the law of this State if the  
5 description were contained in a record of the mortgage of  
6 the real property; and

7 (4) if the debtor does not have an interest of record  
8 in the real property, provide the name of a record owner.

9 (c) Record of mortgage as financing statement. A record of  
10 a mortgage is effective, from the date of recording, as a  
11 financing statement filed as a fixture filing or as a financing  
12 statement covering as-extracted collateral or timber to be cut  
13 only if:

14 (1) the record indicates the goods or accounts that it  
15 covers;

16 (2) the goods are or are to become fixtures related to  
17 the real property described in the record or the collateral  
18 is related to the real property described in the record and  
19 is as-extracted collateral or timber to be cut;

20 (3) the record satisfies the requirements for a  
21 financing statement in this Section, but:

22 (A) the record need not indicate ~~other than an~~  
23 ~~indication~~ that it is to be filed in the real property  
24 records; and

25 (B) the record sufficiently provides the name of a  
26 debtor who is an individual if it provides the

1           individual name of the debtor or the surname and first  
2           personal name of the debtor, even if the debtor is an  
3           individual to whom Section 9-503(a) (4) applies; and  
4           (4) the record is recorded.

5           (d) Filing before security agreement or attachment. A  
6           financing statement may be filed before a security agreement is  
7           made or a security interest otherwise attaches.

8           (Source: P.A. 91-893, eff. 7-1-01.)

9           (810 ILCS 5/9-503) (from Ch. 26, par. 9-503)

10          Sec. 9-503. Name of debtor and secured party.

11          (a) Sufficiency of debtor's name. A financing statement  
12          sufficiently provides the name of the debtor:

13           (1) except as otherwise provided in paragraph (3), if  
14           the debtor is a registered organization or the collateral  
15           is held in a trust that is a registered organization, only  
16           if the financing statement provides the name that is stated  
17           to be the registered organization's name ~~of the debtor~~  
18           ~~indicated~~ on the public organic record most recently filed  
19           with or issued or enacted by ~~of~~ the registered  
20           organization's ~~debtor's~~ jurisdiction of organization which  
21           purports to state, amend, or restate the registered  
22           organization's name ~~shows the debtor to have been~~  
23           ~~organized;~~

24           (2) subject to subsection (f), if the collateral is  
25           being administered by the personal representative of a



1        ~~decedent debtor is a decedent's estate,~~ only if the  
2        financing statement provides, as the name of the debtor,  
3        the name of the decedent and, in a separate part of the  
4        financing statement, indicates that the collateral is  
5        being administered by a personal representative ~~debtor is~~  
6        ~~an estate;~~

7            (3) if the collateral is held in a trust that is not a  
8        registered organization ~~debtor is a trust or a trustee~~  
9        ~~acting with respect to property held in trust,~~ only if the  
10       financing statement:

11            (A) provides, as the name of the debtor:

12            (i) if the organic record of the trust  
13        specifies a name for the trust, the name specified;  
14        or

15            (ii) if the organic record of the trust does  
16        not specify a name for the trust, the name of the  
17        settlor or testator ~~the name specified for the~~  
18        ~~trust in its organic documents or, if no name is~~  
19        ~~specified, provides the name of the settlor and~~  
20        ~~additional information sufficient to distinguish~~  
21        ~~the debtor from other trusts having one or more of~~  
22        ~~the same settlors; and~~

23            (B) in a separate part of the financing statement:

24            (i) if the name is provided in accordance with  
25        subparagraph (A) (i), indicates that the collateral  
26        is held in a trust; or

1           (ii) if the name is provided in accordance with  
2           subparagraph (A) (ii), provides additional  
3           information sufficient to distinguish the trust  
4           from other trusts having one or more of the same  
5           settlers or the same testator and indicates that  
6           the collateral is held in a trust, unless the  
7           additional information so indicates;

8           (4) subject to subsection (g), if the debtor is an  
9           individual to whom this State has issued a driver's license  
10           that has not expired, only if the financing statement  
11           provides the name of the individual which is indicated on  
12           the driver's license;

13           (5) if the debtor is an individual to whom paragraph  
14           (4) does not apply, only if the financing statement  
15           provides the individual name of the debtor or the surname  
16           and first personal name of the debtor indicates, in the  
17           ~~debtor's name or otherwise, that the debtor is a trust or~~  
18           ~~is a trustee acting with respect to property held in trust;~~

19           and

20           (6) ~~(4)~~ in other cases:

21           (A) if the debtor has a name, only if the financing  
22           statement ~~it~~ provides the ~~individual or~~ organizational  
23           name of the debtor; and

24           (B) if the debtor does not have a name, only if it  
25           provides the names of the partners, members,  
26           associates, or other persons comprising the debtor, in

1           a manner that each name provided would be sufficient if  
2           the person named were the debtor.

3           (b) Additional debtor-related information. A financing  
4 statement that provides the name of the debtor in accordance  
5 with subsection (a) is not rendered ineffective by the absence  
6 of:

7           (1) a trade name or other name of the debtor; or

8           (2) unless required under subsection (a) (6) (B)  
9 ~~(a) (4) (B)~~, names of partners, members, associates, or  
10 other persons comprising the debtor.

11          (c) Debtor's trade name insufficient. A financing  
12 statement that provides only the debtor's trade name does not  
13 sufficiently provide the name of the debtor.

14          (d) Representative capacity. Failure to indicate the  
15 representative capacity of a secured party or representative of  
16 a secured party does not affect the sufficiency of a financing  
17 statement.

18          (e) Multiple debtors and secured parties. A financing  
19 statement may provide the name of more than one debtor and the  
20 name of more than one secured party.

21          (f) Name of decedent. The name of the decedent indicated on  
22 the order appointing the personal representative of the  
23 decedent issued by the court having jurisdiction over the  
24 collateral is sufficient as the "name of the decedent" under  
25 subsection (a) (2).

26          (g) Multiple driver's licenses. If this State has issued to

1 an individual more than one driver's license of a kind  
2 described in subsection (a)(4), the one that was issued most  
3 recently is the one to which subsection (a)(4) refers.

4 (h) Definition. In this Section, the "name of the settlor  
5 or testator" means:

6 (1) if the settlor is a registered organization, the  
7 name that is stated to be the settlor's name on the public  
8 organic record most recently filed with or issued or  
9 enacted by the settlor's jurisdiction of organization  
10 which purports to state, amend, or restate the settlor's  
11 name; or

12 (2) in other cases, the name of the settlor or testator  
13 indicated in the trust's organic record.

14 (Source: P.A. 91-893, eff. 7-1-01.)

15 (810 ILCS 5/9-507) (from Ch. 26, par. 9-507)

16 Sec. 9-507. Effect of certain events on effectiveness of  
17 financing statement.

18 (a) Disposition. A filed financing statement remains  
19 effective with respect to collateral that is sold, exchanged,  
20 leased, licensed, or otherwise disposed of and in which a  
21 security interest or agricultural lien continues, even if the  
22 secured party knows of or consents to the disposition.

23 (b) Information becoming seriously misleading. Except as  
24 otherwise provided in subsection (c) and Section 9-508, a  
25 financing statement is not rendered ineffective if, after the

1 financing statement is filed, the information provided in the  
2 financing statement becomes seriously misleading under Section  
3 9-506.

4 (c) Change in debtor's name. If the ~~a debtor so changes its~~  
5 name that a filed financing statement provides for a debtor  
6 becomes insufficient as the name of the debtor under Section  
7 9-503(a) so that the financing statement becomes seriously  
8 misleading under Section 9-506:

9 (1) the financing statement is effective to perfect a  
10 security interest in collateral acquired by the debtor  
11 before, or within four months after, the filed financing  
12 statement becomes seriously misleading ~~change~~; and

13 (2) the financing statement is not effective to perfect  
14 a security interest in collateral acquired by the debtor  
15 more than four months after the filed financing statement  
16 becomes seriously misleading ~~change~~, unless an amendment  
17 to the financing statement which renders the financing  
18 statement not seriously misleading is filed within four  
19 months after the filed financing statement becomes  
20 seriously misleading ~~change~~.

21 (Source: P.A. 90-214, eff. 7-25-97; 91-893, eff. 7-1-01.)

22 (810 ILCS 5/9-515)

23 Sec. 9-515. Duration and effectiveness of financing  
24 statement; effect of lapsed financing statement.

25 (a) Five-year effectiveness. Except as otherwise provided

1 in subsections (b), (e), (f), and (g), a filed financing  
2 statement is effective for a period of five years after the  
3 date of filing.

4 (b) Public-finance or manufactured-home transaction.  
5 Except as otherwise provided in subsections (e), (f), and (g),  
6 an initial financing statement filed in connection with a  
7 public-finance transaction or manufactured-home transaction is  
8 effective for a period of 30 years after the date of filing if  
9 it indicates that it is filed in connection with a  
10 public-finance transaction or manufactured-home transaction.

11 (c) Lapse and continuation of financing statement. The  
12 effectiveness of a filed financing statement lapses on the  
13 expiration of the period of its effectiveness unless before the  
14 lapse a continuation statement is filed pursuant to subsection  
15 (d). Upon lapse, a financing statement ceases to be effective  
16 and any security interest or agricultural lien that was  
17 perfected by the financing statement becomes unperfected,  
18 unless the security interest is perfected otherwise. If the  
19 security interest or agricultural lien becomes unperfected  
20 upon lapse, it is deemed never to have been perfected as  
21 against a purchaser of the collateral for value.

22 (d) When continuation statement may be filed. A  
23 continuation statement may be filed only within six months  
24 before the expiration of the five-year period specified in  
25 subsection (a) or the 30-year period specified in subsection  
26 (b), whichever is applicable.

1 (e) Effect of filing continuation statement. Except as  
2 otherwise provided in Section 9-510, upon timely filing of a  
3 continuation statement, the effectiveness of the initial  
4 financing statement continues for a period of five years  
5 commencing on the day on which the financing statement would  
6 have become ineffective in the absence of the filing. Upon the  
7 expiration of the five-year period, the financing statement  
8 lapses in the same manner as provided in subsection (c),  
9 unless, before the lapse, another continuation statement is  
10 filed pursuant to subsection (d). Succeeding continuation  
11 statements may be filed in the same manner to continue the  
12 effectiveness of the initial financing statement.

13 (f) Transmitting utility financing statement. If a debtor  
14 is a transmitting utility and a filed initial financing  
15 statement so indicates, the financing statement is effective  
16 until a termination statement is filed.

17 (g) Record of mortgage as financing statement. A record of  
18 a mortgage that is effective as a financing statement filed as  
19 a fixture filing under Section 9-502(c) remains effective as a  
20 financing statement filed as a fixture filing until the  
21 mortgage is released or satisfied of record or its  
22 effectiveness otherwise terminates as to the real property.

23 (Source: P.A. 91-893, eff. 7-1-01.)

24 (810 ILCS 5/9-516)

25 Sec. 9-516. What constitutes filing; effectiveness of

1 filing.

2 (a) What constitutes filing. Except as otherwise provided  
3 in subsection (b), communication of a record to a filing office  
4 and tender of the filing fee or acceptance of the record by the  
5 filing office constitutes filing.

6 (b) Refusal to accept record; filing does not occur. Filing  
7 does not occur with respect to a record that a filing office  
8 refuses to accept because:

9 (1) the record is not communicated by a method or  
10 medium of communication authorized by the filing office;

11 (2) an amount equal to or greater than the applicable  
12 filing fee is not tendered;

13 (3) the filing office is unable to index the record  
14 because:

15 (A) in the case of an initial financing statement,  
16 the record does not provide a name for the debtor;

17 (B) in the case of an amendment or information  
18 ~~correction~~ statement, the record:

19 (i) does not identify the initial financing  
20 statement as required by Section 9-512 or 9-518, as  
21 applicable; or

22 (ii) identifies an initial financing statement  
23 whose effectiveness has lapsed under Section  
24 9-515;

25 (C) in the case of an initial financing statement  
26 that provides the name of a debtor identified as an



1 individual or an amendment that provides a name of a  
2 debtor identified as an individual which was not  
3 previously provided in the financing statement to  
4 which the record relates, the record does not identify  
5 the debtor's surname ~~last name~~;

6 (D) in the case of a record filed or recorded in  
7 the filing office described in Section 9-501(a)(1),  
8 the record does not provide a sufficient description of  
9 the real property to which it relates; or

10 (E) in the case of a record submitted to the filing  
11 office described in Section 9-501(b), the debtor does  
12 not meet the definition of a transmitting utility as  
13 described in Section 9-102(a)(80);

14 (3.5) in the case of an initial financing statement or  
15 an amendment, if the filing office believes in good faith  
16 that a document submitted for filing is being filed for the  
17 purpose of defrauding any person or harassing any person in  
18 the performance of duties as a public servant;

19 (4) in the case of an initial financing statement or an  
20 amendment that adds a secured party of record, the record  
21 does not provide a name and mailing address for the secured  
22 party of record;

23 (5) in the case of an initial financing statement or an  
24 amendment that provides a name of a debtor which was not  
25 previously provided in the financing statement to which the  
26 amendment relates, the record does not:

1 (A) provide a mailing address for the debtor; or  
2 (B) indicate whether the name provided as the name  
3 of the debtor is the name of an individual or an  
4 organization; ~~or~~

5 ~~(C) if the financing statement indicates that the~~  
6 ~~debtor is an organization, provide:~~

7 ~~(i) a type of organization for the debtor;~~

8 ~~(ii) a jurisdiction of organization for the~~  
9 ~~debtor; or~~

10 ~~(iii) an organizational identification number~~  
11 ~~for the debtor or indicate that the debtor has~~  
12 ~~none;~~

13 (6) in the case of an assignment reflected in an  
14 initial financing statement under Section 9-514(a) or an  
15 amendment filed under Section 9-514(b), the record does not  
16 provide a name and mailing address for the assignee; or

17 (7) in the case of a continuation statement, the record  
18 is not filed within the six-month period prescribed by  
19 Section 9-515(d).

20 (c) Rules applicable to subsection (b). For purposes of  
21 subsection (b):

22 (1) a record does not provide information if the filing  
23 office is unable to read or decipher the information; and

24 (2) a record that does not indicate that it is an  
25 amendment or identify an initial financing statement to  
26 which it relates, as required by Section 9-512, 9-514, or

1 9-518, is an initial financing statement.

2 (d) Refusal to accept record; record effective as filed  
3 record. A record that is communicated to the filing office with  
4 tender of the filing fee, but which the filing office refuses  
5 to accept for a reason other than one set forth in subsection  
6 (b), is effective as a filed record except as against a  
7 purchaser of the collateral which gives value in reasonable  
8 reliance upon the absence of the record from the files.

9 (e) The Secretary of State may refuse to accept a record  
10 for filing under subdivision (b) (3) (E) or (b) (3.5) only if the  
11 refusal is approved by the Department of Business Services of  
12 the Secretary of State and the General Counsel to the Secretary  
13 of State.

14 (Source: P.A. 95-446, eff. 1-1-08.)

15 (810 ILCS 5/9-518)

16 Sec. 9-518. Claim concerning inaccurate or wrongfully  
17 filed record.

18 (a) Statement with respect to record indexed under a  
19 person's name ~~Correction statement~~. A person may file in the  
20 filing office an information ~~a correction~~ statement with  
21 respect to a record indexed there under the person's name if  
22 the person believes that the record is inaccurate or was  
23 wrongfully filed.

24 (b) Contents ~~Sufficiency~~ of ~~correction~~ statement under  
25 subsection (a). An information ~~A correction~~ statement under

1 subsection (a) must:

2 (1) identify the record to which it relates by: ~~(A) the~~  
3 file number assigned to the initial financing statement to  
4 which the record relates; and

5 ~~(B) if the correction statement relates to a record~~  
6 ~~filed or recorded in a filing office described in~~  
7 ~~Section 9-501(a)(1), the date and time that the initial~~  
8 ~~financing statement was filed and the information~~  
9 ~~specified in Section 9-502(b);~~

10 (2) indicate that it is an information ~~a correction~~  
11 statement; and

12 (3) provide the basis for the person's belief that the  
13 record is inaccurate and indicate the manner in which the  
14 person believes the record should be amended to cure any  
15 inaccuracy or provide the basis for the person's belief  
16 that the record was wrongfully filed.

17 (c) Statement by secured party of record. A person may file  
18 in the filing office an information statement with respect to a  
19 record filed there if the person is a secured party of record  
20 with respect to the financing statement to which the record  
21 relates and believes that the person that filed the record was  
22 not entitled to do so under Section 9-509(d).

23 (d) Contents of statement under subsection (c). An  
24 information statement under subsection (c) must:

25 (1) identify the record to which it relates by the file  
26 number assigned to the initial financing statement to which

1       the record relates;

2           (2) indicate that it is an information statement; and

3           (3) provide the basis for the person's belief that the  
4       person that filed the record was not entitled to do so  
5       under Section 9-509(d).

6       (e) (e) Record not affected by information ~~correction~~  
7       statement. The filing of an information ~~a correction~~ statement  
8       does not affect the effectiveness of an initial financing  
9       statement or other filed record.

10       (Source: P.A. 91-893, eff. 7-1-01.)

11           (810 ILCS 5/9-521)

12       Sec. 9-521. Uniform form of written financing statement and  
13       amendment.

14       (a) Initial financing statement form. A filing office that  
15       accepts written records may not refuse to accept a written  
16       initial financing statement in the form and format set forth in  
17       the ~~final~~ official text of the 2010 amendments ~~1999 revisions~~  
18       to Article 9 of the Uniform Commercial Code promulgated by the  
19       American Law Institute and the National Conference of  
20       Commissioners on Uniform State Laws, except for a reason set  
21       forth in Section 9-516(b).

22       (b) Amendment form. A filing office that accepts written  
23       records may not refuse to accept a written record in the form  
24       and format set forth as Form UCC3 and Form UCC3Ad in the final  
25       official text of the 2010 amendments ~~1999 revisions~~ to Article

1 9 of the Uniform Commercial Code promulgated by the American  
2 Law Institute and the National Conference of Commissioners on  
3 Uniform State Laws, except for a reason set forth in Section  
4 9-516(b).

5 (Source: P.A. 91-893, eff. 7-1-01.)

6 (810 ILCS 5/9-607)

7 Sec. 9-607. Collection and enforcement by secured party.

8 (a) Collection and enforcement generally. If so agreed, and  
9 in any event after default, a secured party:

10 (1) may notify an account debtor or other person  
11 obligated on collateral to make payment or otherwise render  
12 performance to or for the benefit of the secured party;

13 (2) may take any proceeds to which the secured party is  
14 entitled under Section 9-315;

15 (3) may enforce the obligations of an account debtor or  
16 other person obligated on collateral and exercise the  
17 rights of the debtor with respect to the obligation of the  
18 account debtor or other person obligated on collateral to  
19 make payment or otherwise render performance to the debtor,  
20 and with respect to any property that secures the  
21 obligations of the account debtor or other person obligated  
22 on the collateral;

23 (4) if it holds a security interest in a deposit  
24 account perfected by control under Section 9-104(a)(1),  
25 may apply the balance of the deposit account to the

1 obligation secured by the deposit account; and

2 (5) if it holds a security interest in a deposit  
3 account perfected by control under Section 9-104(a)(2) or  
4 (3), may instruct the bank to pay the balance of the  
5 deposit account to or for the benefit of the secured party.

6 (b) Nonjudicial enforcement of mortgage. If necessary to  
7 enable a secured party to exercise under subsection (a)(3) the  
8 right of a debtor to enforce a mortgage nonjudicially, the  
9 secured party may record in the office in which a record of the  
10 mortgage is recorded:

11 (1) a copy of the security agreement that creates or  
12 provides for a security interest in the obligation secured  
13 by the mortgage; and

14 (2) the secured party's sworn affidavit in recordable  
15 form stating that:

16 (A) a default has occurred with respect to the  
17 obligation secured by the mortgage; and

18 (B) the secured party is entitled to enforce the  
19 mortgage nonjudicially.

20 (c) Commercially reasonable collection and enforcement. A  
21 secured party shall proceed in a commercially reasonable manner  
22 if the secured party:

23 (1) undertakes to collect from or enforce an obligation  
24 of an account debtor or other person obligated on  
25 collateral; and

26 (2) is entitled to charge back uncollected collateral

1 or otherwise to full or limited recourse against the debtor  
2 or a secondary obligor.

3 (d) Expenses of collection and enforcement. A secured party  
4 may deduct from the collections made pursuant to subsection (c)  
5 reasonable expenses of collection and enforcement, including  
6 reasonable attorney's fees and legal expenses incurred by the  
7 secured party.

8 (e) Duties to secured party not affected. This Section does  
9 not determine whether an account debtor, bank, or other person  
10 obligated on collateral owes a duty to a secured party.

11 (Source: P.A. 91-893, eff. 7-1-01.)

12 (810 ILCS 5/9-625)

13 Sec. 9-625. Remedies for secured party's failure to comply  
14 with Article.

15 (a) Judicial orders concerning noncompliance. If it is  
16 established that a secured party is not proceeding in  
17 accordance with this Article, a court may order or restrain  
18 collection, enforcement, or disposition of collateral on  
19 appropriate terms and conditions.

20 (b) Damages for noncompliance. Subject to subsections (c),  
21 (d), and (f), a person is liable for damages in the amount of  
22 any loss caused by a failure to comply with this Article. Loss  
23 caused by a failure to comply with a request under Section  
24 9-210 may include loss resulting from the debtor's inability to  
25 obtain, or increased costs of, alternative financing.



1 (c) Persons entitled to recover damages; statutory damages  
2 if collateral is consumer goods ~~in consumer goods transaction.~~

3 Except as otherwise provided in Section 9-628:

4 (1) a person that, at the time of the failure, was a  
5 debtor, was an obligor, or held a security interest in or  
6 other lien on the collateral may recover in an individual  
7 action damages under subsection (b) for its loss; and

8 (2) if the collateral is consumer goods, a person that  
9 was a debtor or a secondary obligor at the time a secured  
10 party failed to comply with this Part may recover in an  
11 individual action for that failure in any event an amount  
12 not less than the credit service charge plus 10 percent of  
13 the principal amount of the obligation or the time-price  
14 differential plus 10 percent of the cash price.

15 (d) Recovery when deficiency eliminated or reduced. A  
16 debtor whose deficiency is eliminated under Section 9-626 may  
17 recover damages for the loss of any surplus. However, a debtor  
18 or secondary obligor whose deficiency is eliminated or reduced  
19 under Section 9-626 may not otherwise recover under subsection  
20 (b) for noncompliance with the provisions of this Part relating  
21 to collection, enforcement, disposition, or acceptance.

22 (e) Statutory damages: noncompliance with specified  
23 provisions. In addition to any damages recoverable under  
24 subsection (b), the debtor, consumer obligor, or person named  
25 as a debtor in a filed record, as applicable, may recover in an  
26 individual action \$500 for each instance that a person:

1 (1) fails to comply with Section 9-208;

2 (2) fails to comply with Section 9-209;

3 (3) files a record that the person is not entitled to  
4 file under Section 9-509(a); or

5 (4) fails to cause the secured party of record to file  
6 or send a termination statement as required by Section  
7 9-513(a) or (c).

8 (f) Statutory damages: noncompliance with Section 9-210. A  
9 debtor or consumer obligor may recover damages under subsection  
10 (b) and, in addition, may in an individual action recover \$500  
11 in each case from a person that, without reasonable cause,  
12 fails to comply with a request under Section 9-210. A recipient  
13 of a request under Section 9-210 which never claimed an  
14 interest in the collateral or obligations that are the subject  
15 of a request under that Section has a reasonable excuse for  
16 failure to comply with the request within the meaning of this  
17 subsection.

18 (g) Limitation of security interest: noncompliance with  
19 Section 9-210. If a secured party fails to comply with a  
20 request regarding a list of collateral or a statement of  
21 account under Section 9-210, the secured party may claim a  
22 security interest only as shown in the statement included in  
23 the request as against a person that is reasonably misled by  
24 the failure.

25 (Source: P.A. 91-893, eff. 7-1-01.)

1 (810 ILCS 5/Art. 9 Pt. 8 heading new)

2 PART 8. TRANSITION PROVISIONS FOR 2010 AMENDMENTS

3 (810 ILCS 5/9-801 new)

4 Sec. 9-801. Effective date. (See Section 99 of the Public  
5 Act adding this Section to this Act.)

6 (810 ILCS 5/9-802 new)

7 Sec. 9-802. Savings clause.

8 (a) Pre-effective-date transactions or liens. Except as  
9 otherwise provided in this Part, this Act applies to a  
10 transaction or lien within its scope, even if the transaction  
11 or lien was entered into or created before the effective date  
12 of this amendatory Act of the 97th General Assembly.

13 (b) Pre-effective-date proceedings. This amendatory Act of  
14 the 97th General Assembly does not affect an action, case, or  
15 proceeding commenced before the effective date of this  
16 amendatory Act of the 97th General Assembly.

17 (810 ILCS 5/9-803 new)

18 Sec. 9-803. Security interest perfected before effective  
19 date.

20 (a) Continuing perfection: perfection requirements  
21 satisfied. A security interest that is a perfected security  
22 interest immediately before the effective date of this  
23 amendatory Act of the 97th General Assembly takes effect is a

1 perfected security interest under Article 9 as amended by this  
2 amendatory Act of the 97th General Assembly if, on the  
3 effective date of this amendatory Act of the 97th General  
4 Assembly, the applicable requirements for attachment and  
5 perfection under Article 9 as amended by this amendatory Act of  
6 the 97th General Assembly are satisfied without further action.

7 (b) Continuing perfection: perfection requirements not  
8 satisfied. Except as otherwise provided in Section 9-805, if,  
9 immediately before the effective date of this amendatory Act of  
10 the 97th General Assembly, a security interest is a perfected  
11 security interest, but the applicable requirements for  
12 perfection under Article 9 as amended by this amendatory Act of  
13 the 97th General Assembly are not satisfied when this  
14 amendatory Act of the 97th General Assembly takes effect, the  
15 security interest remains perfected thereafter only if the  
16 applicable requirements for perfection under Article 9 as  
17 amended by this amendatory Act of the 97th General Assembly are  
18 satisfied within one year after the effective date of this  
19 amendatory Act of the 97th General Assembly.

20 (810 ILCS 5/9-804 new)

21 Sec. 9-804. Security interest unperfected before the  
22 effective date of this amendatory Act of the 97th General  
23 Assembly. A security interest that is an unperfected security  
24 interest immediately before the effective date of this  
25 amendatory Act of the 97th General Assembly becomes a perfected

1 security interest:

2 (1) without further action, when this amendatory Act of  
3 the 97th General Assembly takes effect if the applicable  
4 requirements for perfection under Article 9 as amended by  
5 this amendatory Act of the 97th General Assembly are  
6 satisfied before or at that time; or

7 (2) when the applicable requirements for perfection  
8 are satisfied if the requirements are satisfied after that  
9 time.

10 (810 ILCS 5/9-805 new)

11 Sec. 9-805. Effectiveness of action taken before the  
12 effective date of this amendatory Act of the 97th General  
13 Assembly.

14 (a) Pre-effective-date filing effective. The filing of a  
15 financing statement before the effective date of this  
16 amendatory Act of the 97th General Assembly is effective to  
17 perfect a security interest to the extent the filing would  
18 satisfy the applicable requirements for perfection under  
19 Article 9 as amended by this amendatory Act of the 97th General  
20 Assembly.

21 (b) When pre-effective-date filing becomes ineffective.  
22 This amendatory Act of the 97th General Assembly does not  
23 render ineffective an effective financing statement that,  
24 before the effective date of this amendatory Act of the 97th  
25 General Assembly, is filed and satisfies the applicable

1 requirements for perfection under the law of the jurisdiction  
2 governing perfection as provided in Article 9 as it existed  
3 before the effective date of this amendatory Act of the 97th  
4 General Assembly. However, except as otherwise provided in  
5 subsections (c) and (d) and Section 9-806, the financing  
6 statement ceases to be effective:

7 (1) if the financing statement is filed in this State,  
8 at the time the financing statement would have ceased to be  
9 effective had this amendatory Act of the 97th General  
10 Assembly not taken effect; or

11 (2) if the financing statement is filed in another  
12 jurisdiction, at the earlier of:

13 (A) the time the financing statement would have  
14 ceased to be effective under the law of that  
15 jurisdiction; or

16 (B) June 30, 2018.

17 (c) Continuation statement. The filing of a continuation  
18 statement after the effective date of this amendatory Act of  
19 the 97th General Assembly does not continue the effectiveness  
20 of a financing statement filed before the effective date of  
21 this amendatory Act of the 97th General Assembly. However, upon  
22 the timely filing of a continuation statement after the  
23 effective date of this amendatory Act of the 97th General  
24 Assembly and in accordance with the law of the jurisdiction  
25 governing perfection as provided in Article 9, the  
26 effectiveness of a financing statement filed in the same office

1 in that jurisdiction before the effective date of this  
2 amendatory Act of the 97th General Assembly continues for the  
3 period provided by the law of that jurisdiction.

4 (d) Application of subsection (b)(2)(B) to transmitting  
5 utility financing statement. Subsection (b)(2)(B) applies to a  
6 financing statement that, before the effective date of this  
7 amendatory Act of the 97th General Assembly, is filed against a  
8 transmitting utility and satisfies the applicable requirements  
9 for perfection under the law of the jurisdiction governing  
10 perfection as provided in Article 9 as it existed before the  
11 effective date of this amendatory Act of the 97th General  
12 Assembly, only to the extent that Article 9 as amended by this  
13 amendatory Act of the 97th General Assembly provides that the  
14 law of a jurisdiction other than the jurisdiction in which the  
15 financing statement is filed governs perfection of a security  
16 interest in collateral covered by the financing statement.

17 (e) Application of Part 5. A financing statement that  
18 includes a financing statement filed before the effective date  
19 of this amendatory Act of the 97th General Assembly and a  
20 continuation statement filed after the effective date of this  
21 amendatory Act of the 97th General Assembly is effective only  
22 to the extent that it satisfies the requirements of Part 5 as  
23 amended by this amendatory Act of the 97th General Assembly for  
24 an initial financing statement. A financing statement that  
25 indicates that the debtor is a decedent's estate indicates that  
26 the collateral is being administered by a personal

1 representative within the meaning of Section 9-503(a)(2) as  
2 amended by this amendatory Act of the 97th General Assembly. A  
3 financing statement that indicates that the debtor is a trust  
4 or is a trustee acting with respect to property held in trust  
5 indicates that the collateral is held in a trust within the  
6 meaning of Section 9-503(a)(3) as amended by this amendatory  
7 Act of the 97th General Assembly.

8 (810 ILCS 5/9-806 new)

9 Sec. 9-806. When initial financing statement suffices to  
10 continue effectiveness of financing statement.

11 (a) Initial financing statement in lieu of continuation  
12 statement. The filing of an initial financing statement in the  
13 office specified in Section 9-501 continues the effectiveness  
14 of a financing statement filed before the effective date of  
15 this amendatory Act of the 97th General Assembly if:

16 (1) the filing of an initial financing statement in  
17 that office would be effective to perfect a security  
18 interest under Article 9 as amended by this amendatory Act  
19 of the 97th General Assembly;

20 (2) the pre-effective-date financing statement was  
21 filed in an office in another State; and

22 (3) the initial financing statement satisfies  
23 subsection (c).

24 (b) Period of continued effectiveness. The filing of an  
25 initial financing statement under subsection (a) continues the



1 effectiveness of the pre-effective-date financing statement:

2 (1) if the initial financing statement is filed before  
3 the effective date of this amendatory Act of the 97th  
4 General Assembly, for the period provided in Section 9-515  
5 as it existed before the effective date of this amendatory  
6 Act of the 97th General Assembly with respect to an initial  
7 financing statement; and

8 (2) if the initial financing statement is filed after  
9 the effective date of this amendatory Act of the 97th  
10 General Assembly, for the period provided in Section 9-515  
11 as amended by this amendatory Act of the 97th General  
12 Assembly with respect to an initial financing statement.

13 (c) Requirements for initial financing statement under  
14 subsection (a). To be effective for purposes of subsection (a),  
15 an initial financing statement must:

16 (1) satisfy the requirements of Part 5 as amended by  
17 this amendatory Act of the 97th General Assembly for an  
18 initial financing statement;

19 (2) identify the pre-effective-date financing  
20 statement by indicating the office in which the financing  
21 statement was filed and providing the dates of filing and  
22 file numbers, if any, of the financing statement and of the  
23 most recent continuation statement filed with respect to  
24 the financing statement; and

25 (3) indicate that the pre-effective-date financing  
26 statement remains effective.

1 (810 ILCS 5/9-807 new)

2 Sec. 9-807. Amendment of pre-effective-date financing  
3 statement.

4 (a) "Pre-effective-date financing statement". In this  
5 Section, "pre-effective-date financing statement" means a  
6 financing statement filed before the effective date of this  
7 amendatory Act of the 97th General Assembly.

8 (b) Applicable law. After this amendatory Act of the 97th  
9 General Assembly takes effect, a person may add or delete  
10 collateral covered by, continue or terminate the effectiveness  
11 of, or otherwise amend the information provided in, a  
12 pre-effective-date financing statement only in accordance with  
13 the law of the jurisdiction governing perfection as provided in  
14 Article 9 as amended by this amendatory Act of the 97th General  
15 Assembly. However, the effectiveness of a pre-effective-date  
16 financing statement also may be terminated in accordance with  
17 the law of the jurisdiction in which the financing statement is  
18 filed.

19 (c) Method of amending: general rule. Except as otherwise  
20 provided in subsection (d), if the law of this State governs  
21 perfection of a security interest, the information in a  
22 pre-effective-date financing statement may be amended after  
23 the effective date of this amendatory Act of the 97th General  
24 Assembly only if:

25 (1) the pre-effective-date financing statement and an

1 amendment are filed in the office specified in Section  
2 9-501;

3 (2) an amendment is filed in the office specified in  
4 Section 9-501 concurrently with, or after the filing in  
5 that office of, an initial financing statement that  
6 satisfies Section 9-806(c); or

7 (3) an initial financing statement that provides the  
8 information as amended and satisfies Section 9-806(c) is  
9 filed in the office specified in Section 9-501.

10 (d) Method of amending: continuation. If the law of this  
11 State governs perfection of a security interest, the  
12 effectiveness of a pre-effective-date financing statement may  
13 be continued only under Section 9-805(c) and (e) or 9-806.

14 (e) Method of amending: additional termination rule.  
15 Whether or not the law of this State governs perfection of a  
16 security interest, the effectiveness of a pre-effective-date  
17 financing statement filed in this State may be terminated after  
18 the effective date of this amendatory Act of the 97th General  
19 Assembly by filing a termination statement in the office in  
20 which the pre-effective-date financing statement is filed,  
21 unless an initial financing statement that satisfies Section  
22 9-806(c) has been filed in the office specified by the law of  
23 the jurisdiction governing perfection as provided in Article 9  
24 as amended by this amendatory Act of the 97th General Assembly  
25 as the office in which to file a financing statement.

1 (810 ILCS 5/9-808 new)

2 Sec. 9-808. Person entitled to file initial financing  
3 statement or continuation statement. A person may file an  
4 initial financing statement or a continuation statement under  
5 this part if:

6 (1) the secured party of record authorizes the filing;

7 and

8 (2) the filing is necessary under this Part:

9 (A) to continue the effectiveness of a financing  
10 statement filed before the effective date of this  
11 amendatory Act of the 97th General Assembly; or

12 (B) to perfect or continue the perfection of a  
13 security interest.

14 (810 ILCS 5/9-809 new)

15 Sec. 9-809. Priority. This Act determines the priority of  
16 conflicting claims to collateral. However, if the relative  
17 priorities of the claims were established before the effective  
18 date of this amendatory Act of the 97th General Assembly,  
19 Article 9 as it existed before the effective date of this  
20 amendatory Act of the 97th General Assembly determines  
21 priority.

22 Section 99. Effective date. This Act takes effect July 1,  
23 2013."