

your
guide to

Jon Husted
Ohio Secretary of State

Secured Transaction in Ohio Filings

your
BUSINESS
begins here



Jon Husted
Ohio Secretary of State



Ohio Secretary of State
Business Services Division



Dear Ohioan:

Ohio is open for business!

The Ohio Secretary of State's Office looks forward to assisting you with your business filing needs and to making the process as hassle-free as possible so you can focus on your worthy goals and not on government bureaucracy.

In addition to being the first stop for companies looking to do business in Ohio, the Secretary of State's Office is also the steward of Uniform Commercial Code filings for the state.

The *Guide to Secured Transaction Filings in Ohio* is meant to provide a broad overview and introduction to the process. You are encouraged to seek legal and tax counsel to get advice specific to your own situation and goals.

Should you have further questions regarding your secured transaction filings, please call (877) SOS-FILE (877-767-3453) or send an e-mail to the business services staff at busserv@OhioSecretaryofState.gov.

Additionally, feel free to visit our website at www.OhioSecretaryofState.gov, where you can file UCC-1 and UCC-3 online, obtain filing forms and other office publications and search existing business filings.

Thank you for consulting with the Ohio Secretary of State's Office for your business needs. We look forward to serving you.

Sincerely,

Jon Husted

Ohio Secretary of State

OH Business Central

your BUSINESS begins here

Start and Manage Your Business Online

www.OHBusinessCentral.com

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Preface

This guide has been prepared for informational purposes only and does not constitute legal advice. It is recommended that you seek legal and tax counsel before acting upon this information.

Personal Information

The Secretary of State's Office has the authority to reject any document containing a Social Security number or federal tax identification number. Please assist our office by removing all personal information from documents prior to filing them.

What Is a Secured Transaction?

A secured transaction is a credit or loan transaction in which the debtor agrees to give the lender a security interest in the debtor's property (also called "collateral"). If the debtor defaults, the lender (as the secured party) can take possession of the property and sell it to recover the value of the loan. The security interest is a lien on the debtor's property. These transactions are governed by Ohio Revised Code Chapter 1309.

Chapter 1309 also applies to sales of certain types of payment obligations such as "accounts," "chattel paper," "payment intangibles" and "promissory notes." A person who buys these types of personal property must comply with Ohio secured transaction law to protect their ownership rights over these assets from competing claims of the seller's creditors, other potential buyers of the same property and the risk the buyer will file a bankruptcy petition.

In addition, Chapter 1309 applies to certain "consignments," statutory "agricultural liens" and security interests created under other articles of the Uniform Commercial Code (UCC).

Chapter 1309 does not apply to real estate mortgages or other interests in land. Real estate mortgages are governed by Ohio Revised Code Chapter 5301. Mortgages are filed with the local county recorder's office in the Ohio county where the land is located. The Secretary of State's Office is not responsible for maintaining records of filed real estate mortgages. Please contact your county recorder's office for information about recording a lien on a debtor's land or other interest in real estate.

If the debtor seeks protection from its debts by filing for bankruptcy, the secured party will want its lien to be enforceable in the debtor's bankruptcy case. Even if the debtor does not seek bankruptcy protection, the secured party will want to take steps to protect its lien from the claims of other creditors.

To protect its security interest, a secured party must take steps to "perfect" its lien. A lien is usually perfected by filing a financing statement with the Secretary of State, or in some cases with the county recorder. The secured party may sometimes perfect its lien by being in possession of the collateral. In most situations, however, this is impractical and the secured party must file with the Secretary of State. There are other complicated exceptions to the filing requirement. Please refer to the Ohio Revised Code or consult with an attorney to determine whether filing is required to perfect a particular security interest.

Attachment and Enforceability of Security Interest

Signed Security Agreement

The attachment and enforceability of security interest is governed by Ohio Revised Code Section 1309.203. A security interest is enforceable against the debtor when it has been attached to collateral. Unless the secured party has possession of the collateral, attachment requires a security agreement in the form of an “authenticated record.” This is usually accomplished with a written security agreement signed by the debtor – the person who owns the collateral. The agreement must indicate that the debtor has conveyed an interest in the collateral and contain a description of the collateral. The description must “reasonably identify” the collateral by item or type. For example, a description of “all the debtor’s property” or another similarly nonspecific description is not sufficient. If the collateral is consumer goods, securities, a “commercial tort claim,” or if the secured party’s loan is made for the personal, family, or household purposes of the borrower, the agreement must describe the collateral in greater detail. Otherwise, the agreement may describe the collateral by its type, such as “equipment,” “inventory” or “accounts.”

Unless the collateral is consumer goods—items bought or used primarily for personal, family or household purposes—the agreement may cover both existing collateral and “after-acquired” collateral that the debtor will acquire in the future. If the agreement covers after-acquired collateral, the written security agreement must say so.

Compliance With Other Federal and State Law

With respect to consumer goods, the United States Federal Trade Commission (FTC) restricts the type of items in which a creditor may acquire a non-purchase money security interest. Unless the secured party is the seller of the consumer goods, is providing funds to enable the debtor to purchase the consumer goods, or is a pawnshop, the FTC prohibits a secured party from taking a security interest in most household goods including clothing, furniture, appliances, one radio, one television, linens, china, crockery, kitchenware, personal effects and wedding rings. Despite this, a creditor may hold a non-purchase money security interest in works of art, other electronic entertainment equipment, items acquired as antiques (items more than 100 years old) or jewelry other than wedding rings. For further information, please see Title 16 of the Code of Federal Regulations (C.F.R.), parts 444.1–444.5 (2006).

In a retail installment sale, the Ohio Retail Installment Sales Act requires a copy of the installment sales agreement to be delivered to the buyer. The written agreement must contain certain details about the retail installment sale, including:

- The cash price of the goods;
- The form of the buyer's down payment (cash or goods);
- The amount of the buyer's down payment;
- The unpaid balance of the cash price after deducting the down payment;
- The cost to the buyer of any insurance that the buyer has agreed to buy or that the seller has purchased for the buyer;
- The principal balance owed on the contract (the unpaid balance of the cash price plus the price of any insurance);
- The amount of the finance charge;
- The total time balance owned by the buyer (the principal balance plus the finance charge);
- The number of payments required; and
- The amount and date of each payment necessary to pay the time balance.

For further reference, please see Ohio Revised Code Chapter 1317.

In addition, the Federal Truth-in-Lending Act may require additional information such as the Annual Percentage Rate of any interest imposed to determine the finance charge. Other laws, such as the Federal Magnuson-Moss Consumer Warranty Act, Article 2 of the Uniform Commercial Code (Ohio Revised Code Chapter 1302), the Ohio Consumer Sales Practices Act (Ohio Revised Code Chapter 1345), or the Ohio Small Loans Act (Ohio Revised Code Chapter 1321), may impose additional requirements. Please reference the above laws or consult an attorney for further information regarding compliance. The above laws are not administered or enforced by the Ohio Secretary of State.

Value From the Secured Party

In addition to a signed security agreement, a security interest is not enforceable unless the secured party has given “value.” The secured party gives value if it provides the debtor with a loan, or sells or otherwise delivers goods to the debtor.

A security agreement may provide for past, current or future loans that the creditor may make to the debtor. With the debtor’s agreement, an existing creditor might obtain collateral for a past loan. The earlier loan provides the necessary value. The security interest may also secure a loan made at the same time the security interest is taken. In addition, the security agreement may specify that the collateral will secure a loan that will be made in the future. If the creditor makes a binding commitment to make a future loan, value is given at the time the commitment is made. If the creditor merely retains the option to make a future loan, value is not given, and the security interest does not attach to secure the value until the “future advance” is made.

Debtor Has Rights in the Collateral

The final requirement for a security interest to attach is that the debtor must have “rights” in the collateral. A debtor has rights in the collateral if the debtor owns the collateral or has some other legal right to the collateral.

According to Ohio Revised Code Section 1309.102(A)(28), the debtor is the person who has a right in the collateral, even if that person does not owe a debt. Thus, if one person borrows money from a lender and persuades another person to permit his property to be used as collateral for the loan, the other person, who owns the collateral, is considered the debtor even though he/she is not personally liable for the entire debt. The person who owns the collateral is the person who must sign or otherwise authenticate the security agreement.

Perfection of Security Interests

A security interest is enforceable against the debtor as soon as it has attached. It is only enforceable in bankruptcy or against a debtor's other creditors, however, if it has been perfected. Perfection provides a minimum level of protection against bankruptcy, against most other creditors, and in many cases, against someone who may buy the collateral from the debtor.

A security interest can be perfected in several ways, such as possession by the secured party or control, but is usually perfected by filing. To perfect by filing the secured party must:

- Determine that filing is a proper method to perfect a security interest;
- Determine which state's law applies to the transaction;
- Determine whether the appropriate filing office is the state secretary of state or a local county recorder's office; and
- Submit a financing statement with all of the necessary information together with the necessary filing fee to the appropriate filing office.

If the payments on a secured loan transaction continue for more than five years, the secured party will find it necessary to extend the duration of the filing by filing a "Continuation Statement" during the last six months of the initial five-year period after the Initial Financing statement was filed. For more information regarding Continuation Statements, please see page 13.

Perfection by Filing – Types of Collateral

Filing is the proper way to perfect a security interest in nearly every type of personal property or fixture. Filing is generally effective to protect a security interest from the bankruptcy trustee for nearly all goods including consumer goods, inventory, farm products and equipment, but not for security interests in motor vehicles or watercraft that are required to be registered. Notation on the certificate of title covering the goods is required for these items. Filing is also effective for accounts, chattel paper, instruments, negotiable documents, general intangibles and investment property. Filing is not effective to perfect a security interest in a deposit account or in money.

Central Filing Office – Ohio Secretary of State

When filing is the method of perfection, the UCC usually requires notice of the security interest to be filed with the state secretary of state. If the debtor is located in Ohio, this filing must be made with the Ohio Secretary of State. If the debtor is located outside of Ohio, the filing must be made in that other state or country. A debtor is located in Ohio if:

- The debtor is an individual whose principal residence is in Ohio;
- The debtor is a corporation incorporated under Ohio law;
- The debtor is a limited partnership organized and registered under Ohio law; or
- The debtor is a general partnership, unincorporated association, or some other unregistered organization that has its chief executive office in Ohio.

If the debtor is located in another state, the secured party must file with the secretary of state in the state where the debtor is located. For example, if the debtor is an individual who lives in Cincinnati, the filing must be made with the Ohio Secretary of State. If the individual lives in Covington, Kentucky, the filing must be made with the Kentucky Secretary of State. Similarly, if the debtor is an Ohio corporation, registered as a corporation in Ohio, the filing must be made with the Ohio Secretary of State. If the debtor is a corporation organized under the law of West Virginia, the filing must be made with the West Virginia Secretary of State.

Foreign debtors are those located outside of the United States. The perfection of a security interest on a foreign debtor's property is governed by the law of that country. For example, if the debtor is located in Canada, the Ohio Revised Code requires compliance with Canadian law to perfect the security interest. If the debtor is located in Germany, the law of Germany must be consulted to determine how to perfect the security interest, even if the collateral for the debt is located in Ohio.

Local Filing Office – County Recorder's Office

In rare situations involving collateral connected to real estate, the filing must be made in the local county recorder's office in the county where the land involved is located. Ohio Revised Code Section 1309.501 requires local filing for security interests in:

- Fixtures or goods that are to become fixtures, unless the debtor is a "transmitting utility";
- Timber to be cut; and

- As-extracted collateral (oil, gas, or other minerals when the security interest attaches to them after they have been extracted, or accounts arising from the sale of this collateral “at the wellhead or mine head.”) For more information, please see Ohio Revised Code Section 1309.102 (A)(6).

Nearly all UCC financing statements on property owned by an Ohio debtor are to be filed with the Ohio Secretary of State’s Office. The only exceptions are filings for fixtures, timber, minerals and mineral receivables.

UCC Financing Statement Forms

To file a notice of a secured transaction and perfect most security interests, you must file an Initial Financing Statement (UCC-1) in the proper filing office. Ohio Revised Code Section 1309.502 specifies the information that must be provided on a UCC-1 form is as follows:

- The debtor’s name;
- The secured party’s name; and
- An indication or description of the collateral.

In addition, for the financing statement to be accepted by the Ohio Secretary of State for filing, it must contain other items of information such as the debtor’s address, and the secured party’s address.

The debtor’s or secured party’s Social Security number is not required and you should not file a financing statement containing this private information. Ohio’s filing forms have been revised to remove the designated fields for such information. Please do not provide a debtor’s Social Security number in any other field regardless of format. For example, please do not embed a Social Security number between other numbers and/or letters. The Ohio Secretary of State’s Office is committed to protecting the sensitive personal information of Ohio citizens and your assistance is greatly appreciated.

If the UCC-1 is being filed in the local county recorder’s office because the collateral is timber to be cut, as-extracted collateral (minerals), accounts from the sale of as-extracted collateral, or because it is a fixture filing, additional information is required. Ohio Revised Code Section 1309.501(B) requires this type of financing statement to:

- Indicate that it covers this type of collateral;
- Indicate that it is to be filed in the real property records;
- Include a description of the real property to which the collateral is related, sufficient to give notice of a mortgage under Ohio law; and
- If the record owner of the real estate is someone other than the debtor, provide the name of the record owner of the real estate.

UCC-1 Filing Fee - \$12

For a financing statement to be accepted for filing, it must be accompanied by the filing fee of \$12. Payment may be made by check (payable to: Ohio Secretary of State), cashier's check, money order, cash (if filing is made at the Walk-In Client Service Center), with a prepaid account established in advance with the Secretary of State's Office, or by making arrangements for payment directly through your bank for filings made through an online filing account. For more information on how to obtain a copy of a form or to file online, see Submitting Secured Transaction Filings on page 25.

Persons Who Can File an Initial Financing Statement

The Ohio Revised Code specifies whether a person is entitled to file an Initial Financing Statement (UCC-1) or an amendment adding collateral or a debtor to an existing financing statement. A person may file an Initial Financing Statement (UCC-1) or the above-mentioned amendment only if the debtor authorizes the filing. This authorization must be in the form of an "authenticated record" (such as a signed writing) that permits the financing statement to be filed. Authorization can also be given if the debtor enters into an authenticated security agreement covering the collateral listed in the financing statement. Please refer to Ohio Revised Code Section 1309.509(A) for further information.

Amendments to Financing Statements

Once an authorized Initial Financing Statement has been filed, other filings may be required. These filings are made through a UCC Financing Statement Amendment and completed using a UCC-3 Amendment. Attempts to make an amendment by using an Initial Financing Statement (UCC-1) may result in the amendment being invalid and possibly a loss of perfection or priority.

If the original financing statement was authorized, other Financing Statement Amendments may be filed. These include Continuation Statements, a Termination Statement, or amendments to reflect a change in the parties' names or addresses. These amendments may be filed with the authorization of the secured party. In some situations, when the secured debt has been fully satisfied, the debtor may be permitted to file a Termination Statement without the secured party's authorization.

Under the proper circumstances, an Initial Financing Statement may be continued, assigned, partially released, terminated or otherwise amended by filing a UCC-3 Amendment Form pursuant to Ohio Revised Code Section 1309.512.

As indicated on the UCC-3 form, an amendment to a financing statement must:

- Identify the Initial Financing Statement to which the amendment relates by including the Initial Financing Statement’s file number (line 1a);
- Indicate the nature of the amendment by checking the appropriate box:
 - A Termination (line 2)
 - An Assignment (line 3)
 - A Continuation (line 4)
 - An amendment to information about the debtor or the secured party (line 5) or
 - An addition to the collateral, a deletion of collateral, or a change in description of the collateral (line 8);
- Indicate the current information relating to the debtor or secured party whose information is being changed (line 6);
- Indicate the changed (new) or added information relating to the debtor or secured party (line 7); and
- Provide the name of the secured party of record authorizing the amendment (line 9).

If the amendment relates to a financing statement that was filed in the local county recorder’s office with respect to collateral connected to real estate (such as fixtures, as-extracted collateral or timber to be cut) the amendment must also:

- Provide the date and time that the Initial Financing Statement was filed;
- Indicate that it covers as-extracted collateral (minerals or related accounts), timber to be cut or fixtures;
- Indicate that it is to be filed in the real property records;
- Provide an adequate description of the real estate to which the collateral is related; and
- If the debtor does not have an interest of record in the real property, provide the name of the record owner.

If further information is required, it may be added in the addendum section of the UCC-3 form. If further information regarding more than one additional debtor or more than one additional secured party is required, it may be added using the section of the UCC-3 form designated for additional party information.

Unless the amendment is a “Continuation Statement” filed under Ohio Revised Code Section 1309.515, the filing of an amendment does not extend the duration of a financing statement. An amendment that adds collateral

is effective only from the date that the amendment was filed. Likewise, an amended financing statement that adds a debtor becomes effective only on the date of the filing of the amendment.

If you have more than one change to make to a financing statement, you generally can file all of the changes on one form. For example, if you need to file a continuation and a partial release for a debtor, you can file the information for both changes using one form. You cannot, however, amend both the debtor and secured party using one form.

Additionally, you cannot amend two different financing statements using one form, even if it is the same type of amendment. For example, if you need to file a continuation for two separate financing statements, you must file two separate UCC-3 forms.

UCC-3 Filing Fee - \$12*

*The various types of amendments that can be made using a UCC-3 form are discussed more fully below. With the exception of terminations, which require no filing fee, the filing fee for all amendments made using the UCC-3 form is \$12 per filing form. For more information on how to obtain a copy of a form or to file online, see Submitting Secured Transaction Filings on page 25.

Financing Statement Amendments – Termination of a Financing Statement

When an obligation has been paid or satisfied and the secured transaction filing is no longer valid, the secured party must either file a Termination Statement or provide the debtor with a Termination Statement. A Termination Statement is a Financing Statement Amendment (UCC-3) that releases the debtor and the collateral from the secured party's lien. In cases covering consumer goods, the secured party must file a Termination Statement after the debt is paid. For other collateral the secured party may file the Termination Statement or send it to the debtor who may then submit it to the Ohio Secretary of State's Office for filing. If the secured party fails to meet these obligations, the debtor may recover damages from the secured party and may file its own Termination Statement.

Ohio Revised Code Section 1309.513 specifies that if the financing statement covers consumer goods, the secured party must file a Termination Statement within one month after there is no obligation owed by the debtor and no commitment by the secured party to make a further advance. The secured party may be required to file the financing statement earlier, within 20 days of receiving a demand from the debtor, if the debtor makes such a written demand after the debt is paid.

In cases involving other collateral, the secured party is not required to file a Termination Statement, though it may do so if it so chooses. Instead, within 20 days after receiving a demand from the debtor, the secured party must either file a Termination Statement or send a Termination Statement to the debtor so that the debtor may file it.

There is no filing fee associated with a UCC Termination form.

Please be sure to do the following when completing the form:

- Provide an Initial Financing Statement file number;
- Check the box on line 2 indicating that the amendment is a termination; and
- Complete line 9 providing the name of the party authorizing the amendment.

Financing Statement Amendments – Assignment of Security Interest

Security interests are sometimes assigned. Filing of the assignment is not required to maintain the perfection of a security interest that has been assigned. Please see Ohio Revised Code Section 1309.310(C) for more information.

A secured party of record, however, may record its assignment if it wishes. This may be desirable in order to ensure that the records on file with the Ohio Secretary of State reflect that the new secured party has the authority to authorize other amendments to the Initial Financing Statement.

To amend a financing statement to reflect an assignment, you must:

- Provide the financing statement file number of the Initial Financing Statement (line 1a);
- Check the box on line 3 indicating that the amendment is a full or partial assignment of the security interest;
- Complete line 6 with the name of the person on record as the existing secured party (the assignor);
- Complete line 7 with the name, address, and other information of the new secured party (the assignee);
- Complete line 9 with the name of the secured party of record who is authorized to file the amendment; and
- If the assignment relates to only some of the collateral, complete line 8 by checking the box indicating that the security interest in some of the collateral has been “assigned” and describe the collateral that has been assigned.

If fixtures are covered by a recorded mortgage and the mortgage is effective as a fixture filing under Ohio Revised Code Section 1309.502(C), a formal assignment of the mortgage must be recorded in the real estate records in compliance with other provisions of Ohio law.

Financing Statement Amendments – Continuation Statements

One particularly important amendment to a financing statement is a Continuation Statement. A Continuation Statement extends the duration of a previously filed financing statement.

An Initial Financing Statement is generally effective for five years from the date of filing. Some financing statements, such as those for a transmitting utility, are effective longer. Please refer to Ohio Revised Code Section 1309.515 (UCC 9-515) to determine how long your financing statement will remain effective. When filing a financing statement for a transmitting utility, public finance transaction or manufactured home transaction, please be sure to check the appropriate box on the UCC-1 form to ensure the proper effective period for the financing statement.

If a Continuation Statement is filed within the six months before a financing statement lapses, the financing statement is extended for an additional five years. For example, a financing statement filed on June 1, 2007 will expire on June 1, 2012, unless continued. To continue the financing statement, a Continuation Statement may be filed any time after Jan. 1, 2012, and before the lapse date. A Continuation Statement that is filed too early is not effective.

If you are filing a Continuation Statement, you must:

- File the Continuation Statement during the last six-month period before expiration of the five-year period after the Initial Financing Statement was filed;
- Provide the financing statement file number of the Initial Financing Statement (line 1a);
- Check the box on line 4 indicating that the amendment is a Continuation Statement; and
- Complete line 9 with the name of the secured party of record who is authorized to file the amendment.

Financing Statement Amendments – Amendments to Information Concerning the Debtor or the Secured Party

Amendments are sometimes necessary or useful to reflect a change in the name or address of the debtor or the secured party. This is also accomplished by filing a UCC-3 Financing Statement Amendment.

To amend a financing statement to revise the name or address of one of the parties, you must:

- Provide the financing statement file number of the Initial Financing Statement (line 1a);
- Check the box on line 5 indicating that the amendment is an amendment of information concerning one of the parties;
- Complete line 6 with the name of the person currently on record;
- Complete line 7 with the new information; and
- Complete line 9 with the name of the secured party of record who is authorized to file the amendment.

Please note: In order to change information about both the debtor and the secured party, two amendments must be filed, one for the change affecting the debtor and another for the change affecting the secured party. You cannot change information about the debtor and the secured party on the same amendment.

Financing Statement Amendments – Deleting Collateral or Restating the Description of the Collateral

A secured party sometimes releases collateral from a security interest. In other situations, the secured party may wish to restate the description of the collateral contained in the Initial Financing Statement to more accurately reflect the collateral covered by the parties' written security agreement.

A Financing Statement Amendment that deletes collateral or restates the description of the collateral must:

- Provide the financing statement file number of the Initial Financing Statement (line 1a);
- Check the appropriate box in line 8 indicating that the amendment either will delete collateral or restate the collateral description;
- Complete line 8 by describing the deleted collateral or providing a revised description of the collateral; and

- Complete line 9 with the name of the secured party of record who is authorized to file the amendment.

If collateral is to be added to the financing statement because of a new agreement between the secured party and the debtor that expands or increases the property that is the collateral for the debt, a somewhat different amendment must be filed. A financing statement may not add collateral via a Financing Statement Amendment unless the debtor provides written authorization to add collateral to the financing statement.

Financing Statement Amendments – Adding Collateral

Sometimes it is necessary to file an amendment to a financing statement adding new collateral owned by the original debtor. As with other amendments to filed financing statements the amendment is made using a UCC-3.

To amend a financing statement and add collateral:

- Obtain authorization from the debtor in an authenticated record, such as a written security agreement;
- Provide the financing statement file number of the Initial Financing Statement (line 1a);
- Check the appropriate box on line 8 indicating that the amendment adds collateral;
- Complete line 8 by describing the additional collateral;
- Check the box on line 9 indicating that the financing statement Amendment provides the name of the debtor who authorized the amendment; and
- Complete line 9 with the name of the debtor who authorized the amendment.

The perfection of the security interest in the additional collateral dates only from the time of the amendment, not from the time the original financing statement was filed.

Financing Statement Amendments – Adding a Debtor

If there is a new debtor, including a person different from the one listed on the Initial Financing Statement, who supplies new collateral, a new Initial Financing Statement listing the new debtor's name, or an amendment to the original Initial Financing Statement is necessary to perfect a security interest in the new debtor's property.

To add a new debtor through a Financing Statement Amendment, you must:

- Obtain authorization from the new debtor in an authenticated record, such as a signed written security agreement;
- Provide the financing statement file number of the Initial Financing Statement (line 1a);
- Check the appropriate box on line 8 indicating that the amendment adds collateral;
- Complete line 8 by describing the additional collateral;
- Check the box on line 9 indicating that the Financing Statement Amendment provides the name of the debtor who authorized the amendment; and
- Complete line 9 with the name of the debtor who authorized the amendment.

Filing an Information Statement

A statement may be made about an inaccurate or incomplete financing statement by filing an Information Statement. An Information Statement can be filed at any time by a debtor or secured party who believes that a financing statement is incomplete, incorrect or wrongly filed. This is done using the Information Statement (UCC-5). The filing of an Information Statement does not affect the status of any UCC filing, nor does the filing officer make changes to the Financing Statement as a result of an Information Statement. When it is filed, the information contained on Information Statement will simply be made a part of the record on file with the Ohio Secretary of State's Office. Please refer to Ohio Revised Code Section 1309.518(C) for more information.

An Information Statement must include:

- The file number of the Initial Financing Statement to which the Information Statement relates (line 1a);
- An specific record to which the Information Statement relates (line 1b);
- An indication that the record to which the Information Statement relates is either inaccurate, that it was wrongfully filed, or that it was filed by a person not entitled to do so (check the box on line 2a, 2b, or 2c);

- The basis for the person’s claim (line 3);
- If the Information Statement is filed in connection with fixtures, as-extracted collateral, or timber to be cut, with the county recorder’s office, the date and time on which the Initial Financing Statement was filed (line 4); and
- The name of the person authorizing the filing of the Information Statement (line 5).

When Are UCC Filings Deemed to be “Filed?”

A record is generally deemed filed upon communication of the record to the proper filing office and tender of the filing fee unless otherwise provided in Ohio Revised Code Section 1309.516.

Refusal of a UCC Record Presented for Filing

A record is not filed if the Ohio Secretary of State or other filing office refuses to accept it for one of the reasons specified in Ohio Revised Code Section 1309.516(b).

The Ohio Secretary of State rejects financing statements submitted for filing for any of the following general reasons that might apply to any financing statement or amendment:

- The record has not been communicated by a method or medium authorized by the filing office;
- An amount at least equal to the filing fee was not submitted;
- The filing office is unable to read or decipher the information submitted; or
- The Secretary of State has reasonable cause to believe that the filing is materially false or fraudulent pursuant to Ohio Revised Code Section 111.24.

The Ohio Secretary of State may reject an Initial Financing Statement (UCC-1) for more specific reasons, including:

- The name or mailing address of the debtor is not provided;
- The financing statement does not indicate whether the debtor is an individual or an organization;
- The financing statement does not provide the last name of an individual debtor;
- If the debtor is identified as an organization, failure to provide the type of organization and/or jurisdiction of the organization;
- The record does not provide a sufficient description of the real property to

which it relates (applies to records to be filed in the office designated for the filing or recording of a record of a mortgage); or

- The name or mailing address of the secured party is not provided.

The Ohio Secretary of State may reject any Financing Statement Amendment (UCC-3) or Information Statement (UCC-5) for any of the following reasons:

- The financing statement file number to which the Amendment or Information Statement relates is not provided;
- The Amendment or Information Statement identifies an Initial Financing Statement which has lapsed (i.e., is no longer effective);
- The mailing address for a new debtor is not provided;
- The type of new debtor (individual or organization) is not indicated;
- If the new debtor is identified as an individual, the Amendment does not provide the debtor's last name; or
- The Amendment does not provide the name or mailing address for a new secured party.

The Ohio Secretary of State may reject a Continuation for any of the above reasons or if the Continuation is not filed within the six-month window prior to the financing statement's lapse.

Likewise, the Ohio Secretary of State may reject a filing reflecting an assignment of a security interest if the Financing Statement Amendment does not provide a name and/or mailing address for the assignee.

If the Ohio Secretary of State rejects a UCC filing, the office will send notice to the filer within two business days of filing that the filing has been rejected and provide all reasons for the rejection. If your filing is rejected, please correct any missing or incorrect information and resubmit the filing.

Searching Existing UCC Filings

Existing UCC Filings may be searched for free online, or by submitting a UCC Search Request Form together with the \$20 fee, to the Ohio Secretary of State's Office. Please see below for more information regarding UCC searches.

Online UCC Database

The Ohio Secretary of State's Office maintains a searchable online record of financing statements and other records filed in the Secretary of State's UCC section. The UCC Inquiries webpage allows users to search and retrieve data and images that are maintained in the Uniform Commercial Code Database, which contains records of secured loan filings submitted to and accepted by the Ohio Secretary of State. Records of secured loan filings recorded with one of Ohio's 88 county recorder's offices are not on file with the Ohio Secretary of State and are not available through the Ohio Secretary of State's online database or at the Ohio Secretary of State's Office.

Please visit the UCC section of the Ohio Secretary of State's website at www.OhioSecretaryofState.gov for further information about using the searchable online database.

Please note: This website is optimized for use with Microsoft™ Internet Explorer version. 8.0 and above, and may not be compatible with other web browsers.

Search Requests Using a UCC-11 Search Request Form

The filing office is required to provide information contained in a financing statement to any person who requests it, upon submission of a proper request and tender of the search request fee. If you would like a report listing all financing statements on file against a specific debtor, please request a "Debtor Search." If you would like copies of a specific filing(s) for which you have financing statement file numbers, please request a "Specific Copy Search."

Debtor Search

The filing fee for a Debtor Search is \$20, made payable to “Ohio Secretary of State.” Please be sure to do the following:

- Provide the debtor’s full name (organization or individual);
- Mark the box for certified search response and select:
 - “All” for all filings, including active filings and those that have been lapsed for one year or less; or
 - “Unlapsed” to receive only active filings; and
- If you want copies of the filings that result from the search, check the box on line 2b for “all” or “unlapsed.” If you do not want copies, do not mark any boxes.

The search results will be certified and will consist of the following:

- Type of record on file;
- Number assigned to the record;
- Date and time of filing; and
- Names and addresses of the debtor and the secured party.

Specific Copy Search

The filing fee for a Specific Copy Search is \$5. Please be sure to do the following:

- Provide the file number for each copy you are requesting (up to five different filings may be requested); and
- If you want a letter of certification for each copy, please check the “certified” box on line 2c.

Please note: There is an additional fee of \$5 for each certified copy. For example, if you would like copies of four different financing statements, please provide the financing statement file number for each financing statement on a single request form and a total fee of \$5. However, if you need certified copies, there is an additional fee of \$5 for each certification, which would bring your total fee to \$25. Please make checks payable to “Ohio Secretary of State.”

The search results will include:

- A copy of the requested financing statement(s); and
- A certification stamp for each copy, if requested.

SCR: Specific Copy Request (Ohio Specific Form)

A specific copy request can also be made using a different form, the Specific Copy Request (SCR) form, prescribed by the Ohio Secretary of State. This form is different in format from the nationally prescribed form and is not accepted by other states. This type of search will provide you with only copies of the specified documents and nothing more. You can request that each copy be certified, for an additional fee of \$5 for each certified copy (see Specific Copy Search).

The SCR form should be used if you do not have a financing statement number to identify a filing but you do have a different number, such as a Document Identification Number (DIN), a miscellaneous number, or a roll and frame number. In most cases, the Secretary of State's Office can use those numbers to perform a search. It is not necessary, and in many cases is not possible, to provide more than one of these numbers.

Please note: A file number issued by a county for a filing is not valid for the purposes of a search in the Ohio Secretary of State's Office.

The fee for this form, like the Specific Copy Search, is \$5. Because the format is different, you will be asked to provide the following information:

- Name of the requesting party;
- Date of the request;
- Name of the person or organization to whom the search results should be returned; and
- Up to five financing statement numbers (the maximum allowable per request).

The search results will include copies of the records requested and a certification stamp if applicable.

Copies of Lapsed Financing Statements

Please note: One year from the date a financing statement lapses, the record is removed from our database.

UCC Article 9 Definitions

Provided below are some definitions you may find useful in understanding the UCC filing process.

Agricultural Lien: An interest, other than a security interest, in farm products that secures payment or performance of an obligation for either goods or services furnished in connection with a debtor’s farming operation or rent on real property leased by a debtor in connection with its farming operation.

Chattel Paper: A record that evidences both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. Any transaction that is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. Chattel paper does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

Collateral: The property subject to a security interest or agricultural lien, including:

- Proceeds to which a security interest attaches;
- Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and
- Goods that are subject to consignment.

Consignee: A merchant to whom goods are delivered in a consignment.

Signor: The owner of goods who delivers them to a merchant for sale in a consignment.

Consumer Goods: Goods that are used or bought for use primarily for personal, family or household purposes.

Debtor: A person having an interest in the collateral other than a security interest or other lien, whether or not the person is an obligor, a consignee or seller of accounts, chattel paper, payment intangibles or promissory notes.

File Number: The number assigned to an Initial Financing Statement by the filing office under Ohio Revised Code Section 1309.519(A).

Filing Office: An office designated in Ohio Revised Code Section 1309.501 as the place to file a financing statement. This may be the office of the Ohio Secretary of State or, if the record is filed in connection with fixtures, as-extracted collateral, or timber to be cut, the county recorder’s office in the county in which the land associated with the collateral is located.

Financing Statement: A record filed on the UCC-1 form composed of the debtor's name and address, the secured party's name and address, a description of the collateral and any additional information relating to the security agreement.

Fixture Filing: Filing a financing statement covering goods that are or are to become fixtures and satisfying Ohio Revised Code Section 1309.502 (A) and (B). Fixture filing includes the filing of a financing statement covering goods of a transmitting utility that are or are to become fixtures. Unless the debtor is a transmitting utility fixture, filings are made in the county recorder's office in the county in which the land associated with the goods is located.

Fixtures: Goods that have become so related to particular real property that an interest in them arises under real property law.

Goods: All things that are movable when a security interest attaches. Goods includes: fixtures; standing timber that is to be cut and removed under a conveyance or contract for sale; the unborn young of animals; crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes; and manufactured homes.

Jurisdiction of Organization: The jurisdiction under whose law an organization is organized.

Monetary Obligation: A liability to pay a certain amount. This includes an obligation secured by goods or owed under a lease of goods that includes a debt with respect to the software used in the goods.

Mortgage: A consensual interest in real property, including fixtures, that secures payment or performance of an obligation.

Perfection: The process whereby a security interest is protected as far as the law permits against competing claims to the collateral. The process usually requires the secured party to give public notice of the interest by filing in a government office, such as the office of the state secretary of state (for Article 9 security interests) or the county recorder's office, for real estate mortgages and some Article 9 security interests.

Registered Organization: An organization, such as a corporation, limited liability company, or partnership, classified solely under the law of a single state or the United States and to which the state or the United States must maintain a public record showing that the entity is organized.

Secured Party: A person in whose favor a security interest is created or party provided for under a security agreement, whether or not any obligation to be secured is outstanding. A secured party may also be:

- A person who holds an agricultural lien;
- A consignor;

- A person to whom accounts, chattel paper, payment intangibles or promissory notes have been sold;
- A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or
- A person who holds a security interest arising under Sections 1302.42, 1302.49, 1302.85, 1304.20, 1305.18 or 1310.54 of the Ohio Revised Code.

Security Agreement: An agreement that creates or provides for a security interest.

State: A state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

Termination Statement: An amendment of a financing statement that identifies by its file number the Initial Financing Statement to which it relates, and indicates either that it is a Termination Statement or that the identified financing statement is no longer effective.

Transmitting Utility: A person primarily engaged in the business of: operating a railroad, subway, street railway or trolley bus; transmitting communications electrically, electromagnetically or by light; transmitting goods by pipeline or sewer; or transmitting or producing electricity, steam, gas or water.

Contact Business Services

Ohio Secretary of State
Business Services Division
180 E. Broad St., 16th Floor
Columbus, Ohio 43215
(614) 466-3910
(877) SOS-FILE (877-767-3453)
TTY (614) 466-0562
TTY Toll-free (877) 644-6889

Walk-In Client Service Center
180 E. Broad St., Suite 103 (ground floor)
Columbus, Ohio 43215

E-mail: busserv@OhioSecretaryofState.gov
Website: www.OhioSecretaryofState.gov
File online: www.OHBusinessCentral.com

Submitting Secured Transaction Filings

UCC-1 and UCC-3 forms may be filed online at the Secretary of State's Ohio Business Central website at www.OHBusinessCentral.com. For more information, or to obtain other filing forms, visit the Ohio Secretary of State's website at www.OhioSecretaryofState.gov and click on "Businesses." You may also request forms be sent to you via fax or regular mail by calling (877) SOS-FILE (877-767-3453). The filing fee associated with each filing, as well as completion instructions, are provided on each form.

If submitting a paper filing by mail or in person, please make checks for filing fees payable to "Ohio Secretary of State." Major credit cards are accepted when filing in person.

The Secretary of State has established prepayment accounts for customers who have the ability to deposit a minimum amount on account with the office. Filings made using a prepayment account may be faxed to (614) 485-7045. Further information regarding these services can be obtained by calling (877) SOS-FILE (877-767-3453) or by visiting www.OhioSecretaryofState.gov.



Online

Visit Ohio Business Central at www.OHBusinessCentral.com. If submitting a filing online, please be prepared to pay with a major credit card including Visa, MasterCard, Discover or American Express; an authorized ACH account; or an authorized prepayment account.

Please note: Not all filings are available to be submitted electronically.

By Mail

Please send filings to:

Ohio Secretary of State
Business Services Division
PO Box (refer to fee schedule, page 26)
Columbus, Ohio 43216

In Person

Hours: 8 a.m. – 5 p.m., Monday – Friday,
closed holidays and the day after Thanksgiving.

Secretary of State’s Walk-In Client Service Center

180 E. Broad St., Suite 103 (ground floor)
Columbus, Ohio 43215

Fee Schedule

| UCC TYPE OF FILING | FEE | P.O. BOX # |
|--|------|------------|
| UCC-1 (Initial Financing Statement) | \$12 | 669 |
| UCC-3 (Continuation, assignment, partial release or amendment) | \$12 | 669 |
| UCC-11 (Debtor Search) | \$20 | 669 |
| UCC-5 Information Statement | \$12 | 669 |
| Rejection Standards | \$0 | N/A |
| Specific Copy Search (maximum of five financing statement numbers per request) | \$5 | 669 |

Ohio Business Profile

Jon Husted
Ohio Secretary of State



As the place where business begins in Ohio, the Ohio Secretary of State's Office has launched the **Ohio Business Profile** to highlight some of the great work being done in the Buckeye State. Each month a handful of diverse businesses with a common theme will be selected to be featured on our website. If you are interested in having your business profiled go to www.OhioBusinessProfile.com.

Ohio
BUSINESS
Profile

For more information: (877) SOS-OHIO (877-767-6446) x4
OBP@OhioSecretaryofState.gov

Follow OhioSOSHusted:



Jon Husted

Ohio Secretary of State



The seal of the Ohio Secretary of State, featuring a landscape with a sun rising over hills and water, surrounded by the text "THE SECRETARY OF STATE" and "OHIO" with a star at the bottom.

Jon Husted

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