

Joint Taskforce on Filing Office Operations and Search Logic

James D. Prendergast and Paul Hodnefield, Co-Chairs

The Task Force on Filing Office Operations and Search Logic has been formed to address issues relating to filing and searching under Article 9 of the Uniform Commercial Code. The Task Force will cooperate closely with the International Association of Commercial Administrators (“IACA”) to (1) collect and disseminate information on how filing systems operate, with particular attention to differences among individual filing offices; (2) work with IACA and individual filing offices to develop, modify, and implement rules that will help filing offices perform their duties and serve their constituencies; (3) communicate IACA’s advice on how best to use the services of filing offices; and (4) make recommendations on whether and how the UCC should be amended to make filing and searching easier, uniform, and more certain to yield the best results. In addition to the development of a cooperative and joint approach between the ABA through the Task Force and IACA, the Task Force will also work with the Internal Revenue Service and the appropriate Committees of the Congress with regard to the pending legislation to establish a central filing system for federal tax liens.

As outlined in our Mission Statement, our goals are to:

- Develop, with IACA, a recommended national Search Logic and administrative rules to foster consistent State administration of the UCC search and filing process.
- Coordinate the UCC search and filing process with other stakeholders, such as the Internal Revenue Service.
- Coordinate the State UCC search and filing process with other related State databases.

At the Fall Meeting of the Commercial Finance Committee, held in Phoenix on Wednesday November 7, 2007, the day preceding the Commercial Finance Association Conference, the Task Force presented a panel on Search and Filing Issues. The panelists included the two co-chairs of the Task Force, Jim Prendergast of the UCC Division of First American and Paul Hodnefield of Corporation Service Company, and Kelly Kopyt, the UCC Administrator of the Commonwealth of Massachusetts.

Scheduled for the Spring Meeting of the ABA Section of Business Law is a one-hour panel discussion focusing on debtor name issues left unresolved by Article 9, including the 2007 Texas debtor name legislation and the filing officers’ perspective on the impact of indexing rules and search logic. The panel will also address special concerns with registered organization, individual and trust debtor names. A half-hour organizational meeting will follow the panel discussion.

Ahead, the Task Force will join a roundtable discussion on filing office issues at the May meeting of IACA, will hold a meeting of the Task Force with related presentations at the Annual meeting of the Section, will commence discussions with the IRS on lien filing and related issues,

and will attempt to be involved in the deliberations over S. 1124 on improving public notice and access to tax lien information.

The Task Force has also begun holding monthly telephonic meetings, on the second Monday of each month, to which all members are invited. The first conference was held on Monday, February 11th. The purpose of the meeting was primarily to identify topics for assignment to subcommittees. It began with a lively discussion of search logic issues surrounding the hypotheticals posted to the UCC listserv the previous week. However, the discussion indicated that a subcommittee would not be productive on the topic. Members expressed interest in having subcommittees to address two topics. The first was to explore the pros and cons of a national central UCC filing system. Further discussion on this suggestion was put on hold until after the IACA conference in May. The second topic was to have a subcommittee create a state status report and evaluation (report card) of state filing offices. This status report would expand beyond the current information collected by IACA on various filing offices. The subcommittee still needs a chair.

Additional topics submitted for consideration by subcommittees that were not discussed on the call:

- Review of IACA suggested changes to A9
- Use of SSNs for Individual Debtors
- IRS Central Filing Legislation

The next telephonic meeting of the Task Force is set for March 17, 2008 at 11:00 am EST (10:00 CST and 8:00 PST). To join the meeting, call 866-469-3239 and enter access code 44876231#. If it asks for your attendee ID number, simply press #.