

UNIFORM COMMERCIAL CODE

CHAPTER 370

HOUSE BILL NO. 1393

(Representatives Renner, Rennerfeldt, Nicholas)
(Senators D. Mathern, Wanzek)

FINANCING STATEMENT CONTINUANCE

AN ACT to amend and reenact subsection 1 of section 41-09-43 of the North Dakota Century Code, relating to termination statement requirements and the timing of a debtor's request to a secured creditor to continue a financing statement.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 41-09-43 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. If a financing statement covering consumer goods is filed on or after January 1, 1974, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases where there is no outstanding secured obligation and no written commitment between the secured party and the debtor to make advances, incur obligations, or otherwise give value, the secured party, unless requested by the debtor in writing to continue the filing, must send to each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement nor under the central notice system, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record complying with subsection 2 of section 41-09-44, including payment of the required fee, if any. If the affected secured party fails to file a termination statement as required by this subsection within sixty days of when the secured obligation is fully satisfied, and the debtor has not requested in writing that the filing be continued, then the secured party is liable to the debtor for one hundred dollars, and in addition, for any loss caused to the debtor by such failure. The debtor's written request for a filing to be continued may be made at any time and be effective under this section. If the affected secured party fails to file a termination statement within

ten days after proper written demand by the debtor, then the secured party is liable to the debtor for one hundred dollars, and in addition, for any loss caused to the debtor by such failure.

Approved March 19, 1999

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