

USA COMMERCIAL LAW

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<p>SECURED TRANSACTIONS ANALYTICAL FRAMEWORK</p>

A. IS THE TRANSACTION WITHIN THE SCOPE OF ARTICLE 9?

1. Subject Matter Covered by Article 9

- a. Collateralized transaction in personal property or fixtures*
- b. Sales of receivables*
- c. Deceptive consignments*
- d. Lease-purchase agreements*

2. Exclusions From Article 9

- a. Rights governed by federal law*
- b. Real property (except fixtures)*
- c. Tort claims (except commercial tort claims)*

d. Deposit accounts in consumer transactions

e. Statutory liens

f. Wage assignments

B. CLASSIFY THE COLLATERAL

1. Goods

a. Consumer goods

b. Equipment

c. Inventory

d. Farm Products

2. Semi-Tangible and Intangible Personal Property

a. Instruments

b. Documents

c. Chattel paper

d. Accounts

e. Deposit accounts

f. Investment property

g. Commercial tort claims

h. General intangibles

3. Proceeds
- C. HAS A SECURITY INTEREST BEEN CREATED, THAT IS, HAS “ATTACHMENT” OCCURRED?**
1. Requirements of Attachment
 - a. *Creditor gives value*
 - b. *Valid contract (the “security agreement”)*
 - c. *Debtor has rights in the collateral*
 2. Other Attachment Issues
 - a. *After-acquired property*
 - b. *Future advances*
- D. IS THE SECURITY INTEREST PROTECTED AGAINST OTHER CLAIMANTS, THAT IS, IS THE SECURITY INTEREST “PERFECTED”?**
1. Elements of Perfection
 - a. *Attachment*
 - b. *Act of perfection*
 2. Perfection Methods
 - a. *Possession*
 - b. *Filing a financing statement*
 - c. *Automatic permanent perfection*
 - d. *Automatic temporary perfection*

e. Control

f. Notation on a certificate of title

3. Other Perfection Issues

a. Proceeds

b. Multi-state transactions

E. DETERMINE THE PERSONS WHO ARE MAKING CLAIMS TO THE COLLATERAL OTHER THAN THE DEBTOR AND APPLY PRIORITY RULES

1. Other Creditors

a. Unsecured

b. Secured but unperfected

c. Secured and perfected

(1) General rule – first to file, first to perfect

(2) Exceptions

(a) PMSI in equipment or consumer goods

(b) PMSI in inventory

(c) Investment property and deposit accounts

2. Donee

3. Purchaser

a. Creditor unperfected

b. Buyer in the ordinary course of business

c. Consumer purchaser of consumer goods

4. Lien Creditors

5. Statutory Mechanics Lien

6. Proceeds

7. Fixtures

8. Crops

**F. DETERMINE RIGHTS BETWEEN DEBTOR AND CREDITOR UPON
DEFAULT**

1. Repossession

2. Collateral disposition

a. Resale

b. Strict foreclosure