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AN ACT

RELATING TO SECURED TRANSACTIONS; AMENDING THE UNIFORM
COMMERCIAL CODE; AMENDING AND ADDING DEFINITIONS; CLARIFYING
THE APPLICABILITY OF THAT ACT TO A REMITTANCE TRANSFER AS
DEFINED IN THE FEDERAL ELECTRONIC FUND TRANSFER ACT OF 1978;
CLARIFYING WHEN A SECURED PARTY HAS CONTROL OF ELECTRONIC
CHATTEL PAPER; CLARIFYING THE EFFECT ON FINANCING STATEMENTS
BY A CHANGE IN THE GOVERNING LAW; CLARIFYING FILING RULES;
AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 14-16-3 NMSA 1978 (being Laws 2001,
Chapter 131, Section 3, as amended) is amended to read:

"14-16-3. SCOPE.--

A. Except as otherwise provided in Subsection B of
this section, the Uniform Electronic Transactions Act applies
to electronic records and electronic signatures relating to a
transaction.

B. The Uniform Electronic Transactions Act does
not apply to:

(1) a transaction to the extent it is
governed by:

(a) a law governing the creation and
execution of wills, codicils or testamentary trusts;

(b) the Uniform Commercial Code, other

1 than Chapter 55, Articles 2 and 2A NMSA 1978; or

2 (c) court orders, notices or official
3 court documents, including briefs, pleadings and other
4 records, required to be executed in connection with court
5 proceedings;

6 (2) a notice concerning:

7 (a) the cancellation or termination of
8 utility services, including water, gas, heat or power
9 services;

10 (b) default, acceleration,
11 repossession, foreclosure, eviction or the right to cure,
12 under a credit agreement secured by or a rental agreement for
13 a primary residence of an individual; or

14 (c) the cancellation or termination of
15 health insurance or benefits or life insurance or benefits,
16 but not including annuities; or

17 (3) any document required to accompany any
18 transportation or handling of hazardous materials, pesticides
19 or other toxic or dangerous materials.

20 C. The Uniform Electronic Transactions Act applies
21 to an electronic record or electronic signature otherwise
22 excluded from the application of that act under Subsection B
23 of this section to the extent it is governed by a law other
24 than those specified in Subsection B of this section.

25 D. A transaction subject to the Uniform Electronic SB 146
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1 Transactions Act is also subject to other applicable
2 substantive law."

3 SECTION 2. Section 55-4A-108 NMSA 1978 (being Laws
4 1992, Chapter 114, Section 204) is amended to read:

5 "55-4A-108. RELATIONSHIP TO ELECTRONIC FUND TRANSFER
6 ACT.--

7 (a) Except as provided in Subsection (b) of this
8 section, this article does not apply to a funds transfer any
9 part of which is governed by the Electronic Fund Transfer Act
10 of 1978 (Title XX, Public Law 95-630, 92 Stat. 3728, 15
11 U.S.C. Section 1693 et seq.) as amended from time to time.

12 (b) This article applies to a funds transfer that
13 is a remittance transfer as defined in the Electronic Fund
14 Transfer Act of 1978 (15 U.S.C. Section 1693o-1) as amended
15 from time to time, unless the remittance transfer is an
16 electronic fund transfer as defined in the Electronic Fund
17 Transfer Act of 1978 (15 U.S.C. Section 1693a) as amended
18 from time to time.

19 (c) In a funds transfer to which this article
20 applies, in the event of an inconsistency between an
21 applicable provision of this article and an applicable
22 provision of the Electronic Fund Transfer Act of 1978 (15
23 U.S.C. Section 1693 et seq.) as amended from time to time,
24 the provisions of the Electronic Fund Transfer Act of 1978
25 (15 U.S.C. Section 1693 et seq.) as amended from time to

1 time, governs to the extent of the inconsistency."

2 SECTION 3. Section 55-9-102 NMSA 1978 (being Laws 2001,
3 Chapter 139, Section 2, as amended) is amended to read:

4 "55-9-102. DEFINITIONS AND INDEX OF DEFINITIONS.--

5 (a) In Chapter 55, Article 9 NMSA 1978:

6 (1) "accession" means goods that are
7 physically united with other goods in such a manner that the
8 identity of the original goods is not lost;

9 (2) "account", except as used in "account
10 for":

11 (A) means a right to payment of a
12 monetary obligation, whether or not earned by performance:

13 (i) for property that has been or
14 is to be sold, leased, licensed, assigned or otherwise
15 disposed of;

16 (ii) for services rendered or to
17 be rendered;

18 (iii) for a policy of insurance
19 issued or to be issued;

20 (iv) for a secondary obligation
21 incurred or to be incurred;

22 (v) for energy provided or to be
23 provided;

24 (vi) for the use or hire of a
25 vessel under a charter or other contract;

1 (vii) arising out of the use of a
2 credit or charge card or information contained on or for use
3 with the card; or

4 (viii) as winnings in a lottery
5 or other game of chance operated or sponsored by a state,
6 governmental unit of a state or person licensed or authorized
7 to operate the game by a state or governmental unit of a
8 state; and

9 (B) includes health-care-insurance
10 receivables; but

11 (C) does not include:

12 (i) rights to payment evidenced
13 by chattel paper or an instrument;

14 (ii) commercial tort claims;

15 (iii) deposit accounts;

16 (iv) investment property;

17 (v) letter-of-credit rights or
18 letters of credit; or

19 (vi) rights to payment for money
20 or funds advanced or sold, other than rights arising out of
21 the use of a credit or charge card or information contained
22 on or for use with the card;

23 (3) "account debtor" means a person
24 obligated on an account, chattel paper or general intangible.

25 The term does not include persons obligated to pay a

1 negotiable instrument, even if the instrument constitutes
2 part of chattel paper;

3 (4) "accounting", except as used in
4 "accounting for", means a record:

5 (A) authenticated by a secured party;

6 (B) indicating the aggregate unpaid
7 secured obligations as of a date not more than thirty-five
8 days earlier or thirty-five days later than the date of the
9 record; and

10 (C) identifying the components of the
11 obligations in reasonable detail;

12 (5) "agricultural lien" means an interest in
13 farm products:

14 (A) that secures payment or performance
15 of an obligation for:

16 (i) goods or services furnished
17 in connection with a debtor's farming operation; or

18 (ii) rent on real property leased
19 by a debtor in connection with its farming operation;

20 (B) that is created by statute in favor
21 of a person that:

22 (i) in the ordinary course of its
23 business furnished goods or services to a debtor in
24 connection with a debtor's farming operation; or

25 (ii) leased real property to a

1 debtor in connection with the debtor's farming operation; and

2 (C) whose effectiveness does not depend
3 on the person's possession of the personal property;

4 (6) "as-extracted collateral" means:

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

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

9 (ii) attaches to the minerals as
10 extracted; or

11 (B) accounts arising out of the sale at
12 the wellhead or minehead of oil, gas or other minerals in
13 which the debtor had an interest before extraction;

14 (7) "authenticate" means to:

15 (A) sign; or

16 (B) with present intent to adopt or
17 accept a record, to attach to or logically associate with the
18 record an electronic sound, symbol or process;

19 (8) "bank" means an organization that is
20 engaged in the business of banking and includes savings
21 banks, savings and loan associations, credit unions and trust
22 companies;

23 (9) "cash proceeds" means proceeds that are
24 money, checks, deposit accounts or the like;

25 (10) "certificate of title" means a

1 certificate of title with respect to which a statute provides
2 for the security interest in question to be indicated on the
3 certificate as a condition or result of the security
4 interest's obtaining priority over the rights of a lien
5 creditor with respect to the collateral. The term includes
6 another record maintained as an alternative to a certificate
7 of title by the governmental unit that issues certificates of
8 title if a statute permits the security interest in question
9 to be indicated on the record as a condition or result of the
10 security interest's obtaining priority over the rights of a
11 lien creditor with respect to the collateral;

12 (11) "chattel paper" means a record or
13 records that evidence both a monetary obligation and a
14 security interest in specific goods, a security interest in
15 specific goods and software used in the goods, a security
16 interest in specific goods and license of software used in
17 the goods, a lease of specific goods or a lease of specific
18 goods and license of software used in the goods. In this
19 paragraph, "monetary obligation" means a monetary obligation
20 secured by the goods or owed under a lease of the goods and
21 includes a monetary obligation with respect to software used
22 in the goods. The term does not include:

23 (A) charters or other contracts
24 involving the use or hire of a vessel; or

25 (B) records that evidence a right to

1 payment arising out of the use of a credit or charge card or
2 information contained on or for use with the card. If a
3 transaction is evidenced by records that include an
4 instrument or series of instruments, the group of records
5 taken together constitutes chattel paper;

6 (12) "collateral" means the property subject
7 to a security interest or agricultural lien and includes:

8 (A) proceeds to which a security
9 interest attaches;

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

12 (C) goods that are the subject of a
13 consignment;

14 (13) "commercial tort claim" means a claim
15 arising in tort with respect to which:

16 (A) the claimant is an organization; or

17 (B) the claimant is an individual and
18 the claim:

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

21 (ii) does not include damages
22 arising out of personal injury to or the death of an
23 individual;

24 (14) "commodity account" means an account
25 maintained by a commodity intermediary in which a commodity

1 contract is carried for a commodity customer;

2 (15) "commodity contract" means a commodity
3 futures contract, an option on a commodity futures contract,
4 a commodity option or another contract if the contract or
5 option is:

6 (A) traded on or subject to the rules
7 of a board of trade that has been designated as a contract
8 market for such a contract pursuant to federal commodities
9 laws; or

10 (B) traded on a foreign commodity board
11 of trade, exchange or market, and is carried on the books of
12 a commodity intermediary for a commodity customer;

13 (16) "commodity customer" means a person for
14 which a commodity intermediary carries a commodity contract
15 on its books;

16 (17) "commodity intermediary" means a person
17 that:

18 (A) is registered as a futures
19 commission merchant under federal commodities law; or

20 (B) in the ordinary course of its
21 business provides clearance or settlement services for a
22 board of trade that has been designated as a contract market
23 pursuant to federal commodities law;

24 (18) "communicate" means:

25 (A) to send a written or other tangible SB 146
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1 record;

2 (B) to transmit a record by any means
3 agreed upon by the persons sending and receiving the record;
4 or

5 (C) in the case of transmission of a
6 record to or by a filing office, to transmit a record by any
7 means prescribed by filing-office rule;

8 (19) "consignee" means a merchant to which
9 goods are delivered in a consignment;

10 (20) "consignment" means a transaction,
11 regardless of its form, in which a person delivers goods to a
12 merchant for the purpose of sale and:

13 (A) the merchant:

14 (i) deals in goods of that kind
15 under a name other than the name of the person making
16 delivery;

17 (ii) is not an auctioneer; and

18 (iii) is not generally known by
19 its creditors to be substantially engaged in selling the
20 goods of others;

21 (B) with respect to each delivery, the
22 aggregate value of the goods is one thousand dollars (\$1,000)
23 or more at the time of delivery;

24 (C) the goods are not consumer goods
25 immediately before delivery; and

1 (D) the transaction does not create a
2 security interest that secures an obligation;

3 (21) "consignor" means a person that
4 delivers goods to a consignee in a consignment;

5 (22) "consumer debtor" means a debtor in a
6 consumer transaction;

7 (23) "consumer goods" means goods that are
8 used or bought for use primarily for personal, family or
9 household purposes;

10 (24) "consumer-goods transaction" means a
11 consumer transaction in which:

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

14 (B) a security interest in consumer
15 goods secures the obligation;

16 (25) "consumer obligor" means an obligor who
17 is an individual and who incurred the obligation as part of a
18 transaction entered into primarily for personal, family or
19 household purposes;

20 (26) "consumer transaction" means a
21 transaction in which:

22 (A) an individual incurs an obligation
23 primarily for personal, family or household purposes;

24 (B) a security interest secures the
25 obligation; and

1 (C) the collateral is held or acquired
2 primarily for personal, family or household purposes. The
3 term includes consumer-goods transactions;

4 (27) "continuation statement" means an
5 amendment of a financing statement that:

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

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

11 (28) "debtor" means:

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

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

17 (C) a consignee;

18 (29) "deposit account" means a demand, time,
19 savings, passbook or similar account maintained with a bank.
20 The term does not include investment property or accounts
21 evidenced by an instrument;

22 (30) "document" means a document of title or
23 a receipt of the type described in Subsection (b) of Section
24 55-7-201 NMSA 1978;

25 (31) "electronic chattel paper" means

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

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

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

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

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

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

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

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

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

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

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

1 (36) "file number" means the number assigned
2 to an initial financing statement pursuant to Subsection (a)
3 of Section 55-9-519 NMSA 1978;

4 (37) "filing office" means an office
5 designated in Section 55-9-501 NMSA 1978 as the place to file
6 a financing statement;

7 (38) "filing-office rule" means a rule
8 adopted pursuant to Section 55-9-526 NMSA 1978;

9 (39) "financing statement" means a record or
10 records composed of an initial financing statement and any
11 filed record relating to the initial financing statement;

12 (40) "fixture filing" means the filing of a
13 financing statement covering goods that are or are to become
14 fixtures and satisfying Subsections (a) and (b) of Section
15 55-9-502 NMSA 1978. The term includes the filing of a
16 financing statement covering goods of a transmitting utility
17 that are or are to become fixtures;

18 (41) "fixtures" means goods that have become
19 so related to particular real property that an interest in
20 them arises under real property law;

21 (42) "general intangible" means any personal
22 property, including things in action, other than accounts,
23 chattel paper, commercial tort claims, deposit accounts,
24 documents, goods, instruments, investment property,
25 letter-of-credit rights, letters of credit, money and oil,

1 gas or other minerals before extraction. The term includes
2 payment intangibles and software;

3 (43) [Reserved];

4 (44) "goods" means all things that are
5 movable when a security interest attaches and:

6 (A) includes:

7 (i) fixtures;

8 (ii) standing timber that is to
9 be cut and removed under a conveyance or contract for sale;

10 (iii) the unborn young of
11 animals;

12 (iv) crops grown, growing or to
13 be grown, even if the crops are produced on trees, vines or
14 bushes;

15 (v) manufactured homes; and

16 (vi) a computer program embedded
17 in goods and any supporting information provided in
18 connection with a transaction relating to the program if the
19 program is associated with the goods in such a manner that it
20 customarily is considered part of the goods, or by becoming
21 the owner of the goods, a person acquires a right to use the
22 program in connection with the goods; but

23 (B) does not include:

24 (i) a computer program embedded
25 in goods that consist solely of the medium in which the

1 program is embedded; or

2 (ii) accounts, chattel paper,
3 commercial tort claims, deposit accounts, documents, general
4 intangibles, instruments, investment property,
5 letter-of-credit rights, letters of credit, money or oil, gas
6 or other minerals before extraction;

7 (45) "governmental unit" means a
8 subdivision, agency, department, county, parish, municipality
9 or other unit of the government of the United States, a state
10 or a foreign country. The term includes an organization
11 having a separate corporate existence if the organization is
12 eligible to issue debt on which interest is exempt from
13 income taxation under the laws of the United States;

14 (46) "health-care-insurance receivable"
15 means an interest in or claim under a policy of insurance
16 that is a right to payment of a monetary obligation for
17 health care goods or services provided or to be provided;

18 (47) "instrument" means a negotiable
19 instrument or any other writing that evidences a right to the
20 payment of a monetary obligation, is not itself a security
21 agreement or lease and is of a type that in ordinary course
22 of business is transferred by delivery with any necessary
23 indorsement or assignment. The term does not include:

24 (A) investment property;

25 (B) letters of credit; or

1 (C) writings that evidence a right to
2 payment arising out of the use of a credit or charge card or
3 information contained on or for use with the card;

4 (48) "inventory" means goods, other than
5 farm products, that:

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

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

9 (C) are furnished by a person under a
10 contract of service; or

11 (D) consist of raw materials, work in
12 process or materials used or consumed in a business;

13 (49) "investment property" means a security,
14 whether certificated or uncertificated, security entitlement,
15 securities account, commodity contract or commodity account;

16 (50) "jurisdiction of organization", with
17 respect to a registered organization, means the jurisdiction
18 under whose law the organization is formed or organized;

19 (51) "letter-of-credit right" means a right
20 to payment or performance under a letter of credit, whether
21 or not the beneficiary has demanded or is at the time
22 entitled to demand payment or performance. The term does not
23 include the right of a beneficiary to demand payment or
24 performance under a letter of credit;

25 (52) "lien creditor" means:

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

3 (B) an assignee for benefit of
4 creditors from the time of assignment;

5 (C) a trustee in bankruptcy from the
6 date of the filing of the petition; or

7 (D) a receiver in equity from the time
8 of appointment;

9 (53) "manufactured home" means a structure,
10 transportable in one or more sections, which, in the
11 traveling mode, is eight body feet or more in width or forty
12 body feet or more in length, or, when erected on site, is
13 three hundred twenty or more square feet, and which is built
14 on a permanent chassis and designed to be used as a dwelling
15 with or without a permanent foundation when connected to the
16 required utilities, and includes the plumbing, heating,
17 air-conditioning and electrical systems contained therein.

18 The term includes any structure that meets all of the
19 requirements of this paragraph except the size requirements
20 and with respect to which the manufacturer voluntarily files
21 a certification required by the United States secretary of
22 housing and urban development and complies with the standards
23 established under 42 USCA;

24 (54) "manufactured-home transaction" means a
25 secured transaction:

1 (A) that creates a purchase-money
2 security interest in a manufactured home, other than a
3 manufactured home held as inventory; or

4 (B) in which a manufactured home, other
5 than a manufactured home held as inventory, is the primary
6 collateral;

7 (55) "mortgage" means a consensual interest
8 in real property, including fixtures, that secures payment or
9 performance of an obligation;

10 (56) "new debtor" means a person that
11 becomes bound as debtor under Subsection (d) of Section
12 55-9-203 NMSA 1978 by a security agreement previously entered
13 into by another person;

14 (57) "new value" means:

15 (A) money;

16 (B) money's worth in property, services
17 or new credit; or

18 (C) release by a transferee of an
19 interest in property previously transferred to the
20 transferee. The term does not include an obligation
21 substituted for another obligation;

22 (58) "noncash proceeds" means proceeds other
23 than cash proceeds;

24 (59) "obligor" means a person that, with
25 respect to an obligation secured by a security interest in or

1 an agricultural lien on the collateral:

2 (A) owes payment or other performance
3 of the obligation;

4 (B) has provided property other than
5 the collateral to secure payment or other performance of the
6 obligation; or

7 (C) is otherwise accountable in whole
8 or in part for payment or other performance of the
9 obligation. The term does not include issuers or nominated
10 persons under a letter of credit;

11 (60) "original debtor", except as used in
12 Subsection (c) of Section 55-9-310 NMSA 1978, means a person
13 that, as debtor, entered into a security agreement to which a
14 new debtor has become bound under Subsection (d) of Section
15 55-9-203 NMSA 1978;

16 (61) "payment intangible" means a general
17 intangible under which the account debtor's principal
18 obligation is a monetary obligation;

19 (62) "person related to", with respect to an
20 individual, means:

21 (A) the spouse of the individual;

22 (B) a brother, brother-in-law, sister
23 or sister-in-law of the individual;

24 (C) an ancestor or lineal descendant of
25 the individual or the individual's spouse; or

1 (D) any other relative, by blood or
2 marriage, of the individual or the individual's spouse who
3 shares the same home with the individual;

4 (63) "person related to", with respect to an
5 organization, means:

6 (A) a person directly or indirectly
7 controlling, controlled by or under common control with the
8 organization;

9 (B) an officer or director of, or a
10 person performing similar functions with respect to, the
11 organization;

12 (C) an officer or director of, or a
13 person performing similar functions with respect to, a person
14 described in Subparagraph (A) of this paragraph;

15 (D) the spouse of an individual
16 described in Subparagraph (A), (B) or (C) of this paragraph;
17 or

18 (E) an individual who is related by
19 blood or marriage to an individual described in Subparagraph
20 (A), (B), (C) or (D) of this paragraph and shares the same
21 home with the individual;

22 (64) "proceeds", except as used in
23 Subsection (b) of Section 55-9-609 NMSA 1978, means:

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

1 (B) whatever is collected on, or
2 distributed on account of, collateral;

3 (C) rights arising out of collateral;

4 (D) to the extent of the value of
5 collateral, claims arising out of the loss, nonconformity or
6 interference with the use of, defects or infringement of
7 rights in, or damage to, the collateral; or

8 (E) to the extent of the value of
9 collateral and to the extent payable to the debtor or the
10 secured party, insurance payable by reason of the loss or
11 nonconformity of, defects or infringement of rights in, or
12 damage to, the collateral;

13 (65) "promissory note" means an instrument
14 that evidences a promise to pay a monetary obligation, does
15 not evidence an order to pay and does not contain an
16 acknowledgment by a bank that the bank has received for
17 deposit a sum of money or funds;

18 (66) "proposal" means a record authenticated
19 by a secured party, which record includes the terms on which
20 the secured party is willing to accept collateral in full or
21 partial satisfaction of the obligation it secures pursuant to
22 Sections 55-9-620 through 55-9-622 NMSA 1978;

23 (67) "public organic record" means a record
24 that is available to the public for inspection and is:

25 (A) a record consisting of the record

1 initially filed with or issued by a state or the United
2 States to form or organize an organization and any record
3 filed with or issued by the state or the United States that
4 amends or restates the initial record;

5 (B) an organic record of a business
6 trust consisting of the record initially filed with a state
7 and any record filed with the state that amends or restates
8 the initial record if a statute of the state governing
9 business trusts requires that the record be filed with the
10 state; or

11 (C) a record consisting of legislation
12 enacted by the legislature of a state or the congress of the
13 United States that forms or organizes an organization; any
14 record amending the legislation; and any record filed with or
15 issued by the state or the United States that amends or
16 restates the name of the organization;

17 (68) "pursuant to commitment", with respect
18 to an advance made or other value given by a secured party,
19 means pursuant to the secured party's obligation, whether or
20 not a subsequent event of default or other event not within
21 the secured party's control has relieved or may relieve the
22 secured party from its obligation;

23 (69) "record", except as used in "for
24 record", "of record", "record or legal title" and "record
25 owner", means information that is inscribed on a tangible

1 medium or that is stored in an electronic or other medium and
2 is retrievable in perceivable form;

3 (70) "registered organization" means an
4 organization formed or organized solely under the law of a
5 single state or the United States by the filing of a public
6 organic record with, the issuance of a public organic record
7 by or the enactment of legislation by the state or the United
8 States. The term includes a business trust that is formed or
9 organized under the law of a single state if a statute of the
10 state governing business trusts requires that the business
11 trust's organic record be filed with the state;

12 (71) "secondary obligor" means an obligor to
13 the extent that:

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

16 (B) the obligor has a right of recourse
17 with respect to an obligation secured by collateral against
18 the debtor, another obligor or property of either;

19 (72) "secured party" means:

20 (A) a person in whose favor a security
21 interest is created or provided for under a security
22 agreement, whether or not any obligation to be secured is
23 outstanding;

24 (B) a person that holds an agricultural
25 lien;

1 (C) a consignor;

2 (D) a person to which accounts, chattel
3 paper, payment intangibles or promissory notes have been
4 sold;

5 (E) a trustee, indenture trustee,
6 agent, collateral agent or other representative in whose
7 favor a security interest or agricultural lien is created or
8 provided for; or

9 (F) a person that holds a security
10 interest arising under Section 55-2-401, Section 55-2-505,
11 Subsection (3) of Section 55-2-711, Subsection (5) of Section
12 55-2A-508, Section 55-4-210 or Section 55-5-118 NMSA 1978;

13 (73) "security agreement" means an agreement
14 that creates or provides for a security interest;

15 (74) "send", in connection with a record or
16 notification, means:

17 (A) to deposit in the mail, deliver for
18 transmission or transmit by any other usual means of
19 communication, with postage or cost of transmission provided
20 for, addressed to any address reasonable under the
21 circumstances; or

22 (B) to cause the record or notification
23 to be received within the time that it would have been
24 received if properly sent under Subparagraph (A) of this
25 paragraph;

1 (75) "software" means a computer program and
2 any supporting information provided in connection with a
3 transaction relating to the program. The term does not
4 include a computer program that is included in the definition
5 of goods;

6 (76) "state" means a state of the United
7 States, the District of Columbia, Puerto Rico, the United
8 States Virgin Islands or any territory or insular possession
9 subject to the jurisdiction of the United States;

10 (77) "supporting obligation" means a
11 letter-of-credit right or secondary obligation that supports
12 the payment or performance of an account, chattel paper, a
13 document, a general intangible, an instrument or investment
14 property;

15 (78) "tangible chattel paper" means chattel
16 paper evidenced by a record or records consisting of
17 information that is inscribed on a tangible medium;

18 (79) "termination statement" means an
19 amendment of a financing statement that:

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

22 (B) indicates either that it is a
23 termination statement or that the identified financing
24 statement is no longer effective; and

25 (80) "transmitting utility" means an

1 organization primarily engaged in the business of:

2 (A) operating a railroad, subway,
3 street railway or trolley bus;

4 (B) transmitting communications
5 electrically, electromagnetically or by light;

6 (C) transmitting goods by pipeline or
7 sewer; or

8 (D) transmitting or producing and
9 transmitting electricity, steam, gas or water.

10 (b) "Control", as provided in Section 55-7-106
11 NMSA 1978, and the following definitions in other articles
12 apply to this article:

13 "applicant" Section
14 55-5-102 NMSA 1978;

15 "beneficiary" Section
16 55-5-102 NMSA 1978;

17 "broker" Section
18 55-8-102 NMSA 1978;

19 "certificated security" Section
20 55-8-102 NMSA 1978;

21 "check" Section
22 55-3-104 NMSA 1978;

23 "clearing corporation" Section
24 55-8-102 NMSA 1978;

25 "contract for sale" Section SB 146
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1 55-2-106 NMSA 1978;
2 "customer" Section
3 55-4-104 NMSA 1978;
4 "entitlement holder" Section
5 55-8-102 NMSA 1978;
6 "financial asset" Section
7 55-8-102 NMSA 1978;
8 "holder in due course" Section
9 55-3-302 NMSA 1978;
10 "issuer" (with respect to a letter of credit or
11 letter-of-credit right) Section
12 55-5-102 NMSA 1978;
13 "issuer" (with respect to a security) Section
14 55-8-201 NMSA 1978;
15 "issuer" (with respect to documents of
16 title) Section
17 55-7-102 NMSA 1978;
18 "lease" Section
19 55-2A-103 NMSA 1978;
20 "lease agreement" Section
21 55-2A-103 NMSA 1978;
22 "lease contract" Section
23 55-2A-103 NMSA 1978;
24 "leasehold interest" Section
25 55-2A-103 NMSA 1978;

1 "lessee" Section
2 55-2A-103 NMSA 1978;
3 "lessee in ordinary course of business" . Section
4 55-2A-103 NMSA 1978;
5 "lessor" Section
6 55-2A-103 NMSA 1978;
7 "lessor's residual interest" Section
8 55-2A-103 NMSA 1978;
9 "letter of credit" Section
10 55-5-102 NMSA 1978;
11 "merchant" Section
12 55-2-104 NMSA 1978;
13 "negotiable instrument" Section
14 55-3-104 NMSA 1978;
15 "nominated person" Section
16 55-5-102 NMSA 1978;
17 "note" Section
18 55-3-104 NMSA 1978;
19 "proceeds of a letter of credit" Section
20 55-5-114 NMSA 1978;
21 "prove" Section
22 55-3-103 NMSA 1978;
23 "sale" Section
24 55-2-106 NMSA 1978;
25 "securities account" Section

1 55-8-501 NMSA 1978;
2 "securities intermediary" Section
3 55-8-102 NMSA 1978;
4 "security" Section
5 55-8-102 NMSA 1978;
6 "security certificate" Section
7 55-8-102 NMSA 1978;
8 "security entitlement" Section
9 55-8-102 NMSA 1978; and
10 "uncertificated security" Section
11 55-8-102 NMSA 1978.

12 (c) Chapter 12, Article 2A and Chapter 55, Article
13 1 NMSA 1978 contain general definitions and principles of
14 construction and interpretation applicable throughout Chapter
15 55, Article 9 NMSA 1978."

16 SECTION 4. Section 55-9-105 NMSA 1978 (being Laws 2001,
17 Chapter 130, Section 5) is amended to read:

18 "55-9-105. CONTROL OF ELECTRONIC CHATTEL PAPER.--

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

24 (b) A system satisfies Subsection (a) of this
25 section if the record or records comprising the chattel paper

1 are created, stored and assigned in such a manner that:

2 (1) a single authoritative copy of the
3 record or records exists that is unique, identifiable and,
4 except as otherwise provided in Paragraphs (4) through (6) of
5 this subsection, unalterable;

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

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

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

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

17 (6) any amendment of the authoritative copy
18 is readily identifiable as authorized or unauthorized."

19 SECTION 5. Section 55-9-307 NMSA 1978 (being Laws 2001,
20 Chapter 139, Section 27) is amended to read:

21 "55-9-307. LOCATION OF DEBTOR.--

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

24 (b) Except as otherwise provided in this section,
25 the following rules determine a debtor's location:

1 (1) a debtor who is an individual is located
2 at the individual's principal residence;

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

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

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

19 (d) A person that ceases to exist, have a
20 residence or have a place of business continues to be located
21 in the jurisdiction specified by Subsections (b) and (c) of
22 this section.

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

25 (f) Except as otherwise provided in Subsection (i) SB 146
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1 of this section, a registered organization that is organized
2 under the law of the United States and a branch or agency of
3 a bank that is not organized under the law of the United
4 States or a state are located:

5 (1) in the state that the law of the United
6 States designates if the law designates a state of location;

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

13 (3) in the District of Columbia if neither
14 Paragraph (1) nor Paragraph (2) of this subsection applies.

15 (g) A registered organization continues to be
16 located in the jurisdiction specified by Subsection (e) or
17 (f) of this section notwithstanding:

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

21 (2) the dissolution, winding up or
22 cancellation of the existence of the registered organization.

23 (h) The United States is located in the District
24 of Columbia.

25 (i) A branch or agency of a bank that is not

1 organized under the law of the United States or a state is
2 located in the state in which the branch or agency is
3 licensed if all branches and agencies of the bank are
4 licensed in only one state.

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

9 (k) This section applies only for purposes of
10 Sections 55-9-301 through 55-9-342 NMSA 1978."

11 SECTION 6. Section 55-9-311 NMSA 1978 (being Laws 2001,
12 Chapter 139, Section 31) is amended to read:

13 "55-9-311. PERFECTION OF SECURITY INTERESTS IN PROPERTY
14 SUBJECT TO CERTAIN STATUTES, REGULATIONS AND TREATIES.--

15 (a) Except as otherwise provided in Subsection (d)
16 of this section, the filing of a financing statement is not
17 necessary or effective to perfect a security interest in
18 property subject to:

19 (1) a statute, regulation or treaty of the
20 United States whose requirements for a security interest's
21 obtaining priority over the rights of a lien creditor with
22 respect to the property preempt Subsection (a) of Section
23 55-9-310 NMSA 1978;

24 (2) the provisions of Chapter 66 NMSA 1978;
25 or

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

6 (b) Compliance with the requirements of a statute,
7 regulation or treaty described in Subsection (a) of this
8 section for obtaining priority over the rights of a lien
9 creditor is equivalent to the filing of a financing statement
10 under Chapter 55, Article 9 NMSA 1978. Except as otherwise
11 provided in Subsection (d) of this section and in Section
12 55-9-313 and Subsections (d) and (e) of Section 55-9-316 NMSA
13 1978 for goods covered by a certificate of title, a security
14 interest in property subject to a statute, regulation or
15 treaty described in Subsection (a) of this section may be
16 perfected only by compliance with those requirements, and a
17 security interest so perfected remains perfected
18 notwithstanding a change in the use or transfer of possession
19 of the collateral.

20 (c) Except as otherwise provided in Subsection (d)
21 of this section and Subsections (d) and (e) of Section
22 55-9-316 NMSA 1978, duration and renewal of perfection of a
23 security interest perfected by compliance with the
24 requirements prescribed by a statute, regulation or treaty
25 described in Subsection (a) of this section are governed by

1 the statute, regulation or treaty. In other respects, the
2 security interest is subject to Chapter 55, Article 9 NMSA
3 1978.

4 (d) During any period in which collateral subject
5 to a statute specified in Paragraph (2) of Subsection (a) of
6 this section is inventory held for sale or lease by a person
7 or leased by that person as lessor and that person is in the
8 business of selling goods of that kind, this section does not
9 apply to a security interest in that collateral created by
10 that person."

11 SECTION 7. Section 55-9-316 NMSA 1978 (being Laws 2001,
12 Chapter 139, Section 36) is amended to read:

13 "55-9-316. EFFECT OF CHANGE IN GOVERNING LAW.--

14 (a) A security interest perfected pursuant to the
15 law of the jurisdiction designated in Subsection (1) of
16 Section 55-9-301 or Subsection (c) of Section 55-9-305 NMSA
17 1978 remains perfected until the earliest of:

18 (1) the time perfection would have ceased
19 under the law of that jurisdiction;

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

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

25 (b) If a security interest described in Subsection SB 146
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1 (a) of this section becomes perfected under the law of the
2 other jurisdiction before the earliest time or event
3 described in that subsection, it remains perfected
4 thereafter. If the security interest does not become
5 perfected under the law of the other jurisdiction before the
6 earliest time or event, it becomes unperfected and is deemed
7 never to have been perfected as against a purchaser of the
8 collateral for value.

9 (c) A possessory security interest in collateral,
10 other than goods covered by a certificate of title and
11 as-extracted collateral consisting of goods, remains
12 continuously perfected if:

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

16 (2) thereafter the collateral is brought
17 into another jurisdiction; and

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

21 (d) Except as otherwise provided in Subsection (e)
22 of this section, a security interest in goods covered by a
23 certificate of title that is perfected by any method under
24 the law of another jurisdiction when the goods become covered
25 by a certificate of title from this state remains perfected

1 until the security interest would have become unperfected
2 under the law of the other jurisdiction had the goods not
3 become so covered.

4 (e) A security interest described in Subsection
5 (d) of this section becomes unperfected as against a
6 purchaser of the goods for value and is deemed never to have
7 been perfected as against a purchaser of the goods for value
8 if the applicable requirements for perfection under
9 Subsection (b) of Section 55-9-311 or Section 55-9-313 NMSA
10 1978 are not satisfied before the earlier of:

11 (1) the time the security interest would
12 have become unperfected under the law of the other
13 jurisdiction had the goods not become covered by a
14 certificate of title from this state; or

15 (2) the expiration of four months after the
16 goods had become so covered.

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

24 (1) the time the security interest would
25 have become unperfected under the law of that jurisdiction;

1 or

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

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

14 (h) The following rules apply to collateral to
15 which a security interest attaches within four months after
16 the debtor changes its location to another jurisdiction:

17 (1) a financing statement filed before the
18 change pursuant to the law of the jurisdiction designated in
19 Paragraph (1) of Section 55-9-301 or Subsection (c) of
20 Section 55-9-305 NMSA 1978 is effective to perfect a security
21 interest in the collateral if the financing statement would
22 have been effective to perfect a security interest in the
23 collateral had the debtor not changed its location; and

24 (2) if a security interest perfected by a
25 financing statement that is effective under Paragraph (1) of

1 this subsection becomes perfected under the law of the other
2 jurisdiction before the earlier of the time the financing
3 statement would have become ineffective under the law of the
4 jurisdiction designated in Paragraph (1) of Section 55-9-301
5 or Subsection (c) of Section 55-9-305 NMSA 1978 or the
6 expiration of the four-month period, it remains perfected
7 thereafter. If the security interest does not become
8 perfected under the law of the other jurisdiction before the
9 earlier time or event, it becomes unperfected and is deemed
10 never to have been perfected as against a purchaser of the
11 collateral for value.

12 (i) If a financing statement naming an original
13 debtor is filed pursuant to the law of the jurisdiction
14 designated in Paragraph (1) of Section 55-9-301 or Subsection
15 (c) of Section 55-9-305 NMSA 1978 and the new debtor is
16 located in another jurisdiction, the following rules apply:

17 (1) the financing statement is effective to
18 perfect a security interest in collateral acquired by the new
19 debtor before, and within four months after, the new debtor
20 becomes bound under Subsection (d) of Section 55-9-203 NMSA
21 1978 if the financing statement would have been effective to
22 perfect a security interest in the collateral had the
23 collateral been acquired by the original debtor; and

24 (2) a security interest perfected by the
25 financing statement that becomes perfected under the law of

1 the other jurisdiction before the earlier of the time the
2 financing statement would have become ineffective under the
3 law of the jurisdiction designated in Paragraph (1) of
4 Section 55-9-301 or Subsection (c) of Section 55-9-305 NMSA
5 1978 or the expiration of the four-month period remains
6 perfected thereafter. A security interest that is perfected
7 by the financing statement but that does not become perfected
8 under the law of the other jurisdiction before the earlier
9 time or event becomes unperfected and is deemed never to have
10 been perfected as against a purchaser of the collateral for
11 value."

12 SECTION 8. Section 55-9-317 NMSA 1978 (being Laws 2001,
13 Chapter 139, Section 37, as amended) is amended to read:

14 "55-9-317. INTERESTS THAT TAKE PRIORITY OVER OR TAKE
15 FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN.--

16 (a) A security interest or agricultural lien is
17 subordinate to the rights of:

18 (1) a person entitled to priority under
19 Section 55-9-322 NMSA 1978; and

20 (2) except as otherwise provided in
21 Subsection (e) of this section, a person that becomes a lien
22 creditor before the earlier of the time:

23 (A) the security interest or
24 agricultural lien is perfected; or

25 (B) one of the conditions specified in

1 Paragraph (3) of Subsection (b) of Section 55-9-203 NMSA 1978
2 is met and a financing statement covering the collateral is
3 filed.

4 (b) Except as otherwise provided in Subsection (e)
5 of this section, a buyer, other than a secured party, of
6 tangible chattel paper, tangible documents, goods,
7 instruments or a security certificate takes free of a
8 security interest or agricultural lien if the buyer gives
9 value and receives delivery of the collateral without
10 knowledge of the security interest or agricultural lien and
11 before it is perfected.

12 (c) Except as otherwise provided in Subsection (e)
13 of this section, a lessee of goods takes free of a security
14 interest or agricultural lien if the lessee gives value and
15 receives delivery of the collateral without knowledge of the
16 security interest or agricultural lien and before it is
17 perfected.

18 (d) A licensee of a general intangible or a buyer,
19 other than a secured party, of collateral other than tangible
20 chattel paper, tangible documents, goods, instruments or a
21 certificated security takes free of a security interest if
22 the licensee or buyer gives value without knowledge of the
23 security interest and before it is perfected.

24 (e) Except as otherwise provided in Sections
25 55-9-320 and 55-9-321 NMSA 1978, if a person files a

1 financing statement with respect to a purchase-money security
2 interest before or within twenty days after the debtor
3 receives delivery of the collateral, the security interest
4 takes priority over the rights of a buyer, lessee or lien
5 creditor that arise between the time the security interest
6 attaches and the time of filing."

7 SECTION 9. Section 55-9-326 NMSA 1978 (being Laws 2001,
8 Chapter 139, Section 46) is amended to read:

9 "55-9-326. PRIORITY OF SECURITY INTERESTS CREATED BY
10 NEW DEBTOR.--

11 (a) Subject to Subsection (b) of this section, a
12 security interest that is created by a new debtor in
13 collateral in which the new debtor has or acquires rights and
14 is perfected solely by a filed financing statement that would
15 be ineffective to perfect the security interest but for the
16 application of Paragraph (1) of Subsection (i) of Section
17 55-9-316 or Section 55-9-508 NMSA 1978 is subordinate to a
18 security interest in the same collateral that is perfected
19 other than by such a filed financing statement.

20 (b) The other provisions of Sections 55-9-301
21 through 55-9-342 NMSA 1978 determine the priority among
22 conflicting security interests in the same collateral
23 perfected by filed financing statements described in
24 Subsection (a) of this section. However, if the security
25 agreements to which a new debtor became bound as debtor were

1 not entered into by the same original debtor, the conflicting
2 security interests rank according to priority in time of the
3 new debtor having become bound."

4 SECTION 10. Section 55-9-406 NMSA 1978 (being Laws
5 2001, Chapter 139, Section 68) is amended to read:

6 "55-9-406. DISCHARGE OF ACCOUNT DEBTOR--NOTIFICATION OF
7 ASSIGNMENT--IDENTIFICATION AND PROOF OF ASSIGNMENT--
8 RESTRICTIONS ON ASSIGNMENT OF ACCOUNTS, CHATTEL PAPER,
9 PAYMENT INTANGIBLES AND PROMISSORY NOTES INEFFECTIVE.--

10 (a) Subject to Subsections (b) through (i) of this
11 section, an account debtor on an account, chattel paper or a
12 payment intangible may discharge its obligation by paying the
13 assignor until, but not after, the account debtor receives a
14 notification, authenticated by the assignor or the assignee,
15 that the amount due or to become due has been assigned and
16 that payment is to be made to the assignee. After receipt of
17 the notification, the account debtor may discharge its
18 obligation by paying the assignee and may not discharge the
19 obligation by paying the assignor.

20 (b) Subject to Subsection (h) of this section,
21 notification is ineffective under Subsection (a) of this
22 section:

23 (1) if it does not reasonably identify the
24 rights assigned;

25 (2) to the extent that an agreement between

1 an account debtor and a seller of a payment intangible limits
2 the account debtor's duty to pay a person other than the
3 seller and the limitation is effective under law other than
4 Chapter 55, Article 9 NMSA 1978; or

5 (3) at the option of an account debtor, if
6 the notification notifies the account debtor to make less
7 than the full amount of any installment or other periodic
8 payment to the assignee, even if:

9 (A) only a portion of the account,
10 chattel paper or payment intangible has been assigned to that
11 assignee;

12 (B) a portion has been assigned to
13 another assignee; or

14 (C) the account debtor knows that the
15 assignment to that assignee is limited.

16 (c) Subject to Subsection (h) of this section, if
17 requested by the account debtor, an assignee shall seasonably
18 furnish reasonable proof that the assignment has been made.
19 Unless the assignee complies, the account debtor may
20 discharge its obligation by paying the assignor, even if the
21 account debtor has received a notification under Subsection
22 (a) of this section.

23 (d) Except as otherwise provided in Subsection (e)
24 of this section and Sections 55-2A-303 and 55-9-407 NMSA
25 1978, and subject to Subsection (h) of this section, a term

1 in an agreement between an account debtor and an assignor or
2 in a promissory note is ineffective to the extent that it:

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

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

15 (e) Subsection (d) of this section does not apply
16 to the sale of a payment intangible or promissory note, other
17 than a sale pursuant to a disposition under Section 55-9-610
18 NMSA 1978 or an acceptance of collateral under Section
19 55-9-620 NMSA 1978.

20 (f) Except as otherwise provided in Sections
21 55-2A-303 and 55-9-407 NMSA 1978 and subject to Subsections
22 (h) and (i) of this section, a rule of law, statute or
23 regulation that prohibits, restricts or requires the consent
24 of a government, governmental body or official, or account
25 debtor to the assignment or transfer of, or creation of a

1 security interest in, an account or chattel paper is
2 ineffective to the extent that the rule of law, statute or
3 regulation:

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

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

14 (g) Subject to Subsection (h) of this section, an
15 account debtor may not waive or vary its option under
16 Paragraph (3) of Subsection (b) of this section.

17 (h) This section is subject to law other than
18 Chapter 55, Article 9 NMSA 1978 that establishes a different
19 rule for an account debtor who is an individual and who
20 incurred the obligation primarily for personal, family or
21 household purposes.

22 (i) This section does not apply to an assignment
23 of a health-care-insurance receivable.

24 (j) This section is subject to laws other than
25 Chapter 55, Article 9 NMSA 1978 to the extent that those laws

1 prohibit or restrict the assignment, transfer of or creation
2 of a security interest in benefits, compensation, any other
3 account or chattel paper."

4 SECTION 11. Section 55-9-408 NMSA 1978 (being Laws
5 2001, Chapter 139, Section 70) is amended to read:

6 "55-9-408. RESTRICTIONS ON ASSIGNMENT OF PROMISSORY
7 NOTES, HEALTH-CARE-INSURANCE RECEIVABLES AND CERTAIN GENERAL
8 INTANGIBLES INEFFECTIVE.--

9 (a) Except as otherwise provided in Subsection (b)
10 of this section, a term in a promissory note or in an
11 agreement between an account debtor and a debtor that relates
12 to a health-care-insurance receivable or a general
13 intangible, including a contract, permit, license or
14 franchise, and that prohibits, restricts or requires the
15 consent of the person obligated on the promissory note or the
16 account debtor to the assignment or transfer of, or creation,
17 attachment or perfection of a security interest in, the
18 promissory note, health-care-insurance receivable or general
19 intangible is ineffective to the extent that the term:

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

22 (2) provides that the assignment or transfer
23 or the creation, attachment or perfection of the security
24 interest may give rise to a default, breach, right of
25 recoupment, claim, defense, termination, right of termination

1 or remedy under the promissory note, health-care-insurance
2 receivable or general intangible.

3 (b) Subsection (a) of this section applies to a
4 security interest in a payment intangible or promissory note
5 only if the security interest arises out of a sale of the
6 payment intangible or promissory note other than a sale
7 pursuant to a disposition under Section 55-9-610 NMSA 1978 or
8 an acceptance of collateral under Section 55-9-620 NMSA 1978.

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

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

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

1 receivable or general intangible.

2 (d) To the extent that a term in a promissory note
3 or in an agreement between an account debtor and a debtor
4 that relates to a health-care-insurance receivable or general
5 intangible or a rule of law, statute or regulation described
6 in Subsection (c) of this section would be effective under
7 law other than Chapter 55, Article 9 NMSA 1978 but is
8 ineffective under Subsection (a) or (c) of this section, the
9 creation, attachment or perfection of a security interest in
10 the promissory note, health-care-insurance receivable or
11 general intangible:

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

14 (2) does not impose a duty or obligation on
15 the person obligated on the promissory note or the account
16 debtor;

17 (3) does not require the person obligated on
18 the promissory note or the account debtor to recognize the
19 security interest, pay or render performance to the secured
20 party or accept payment or performance from the secured
21 party;

22 (4) does not entitle the secured party to
23 use or assign the debtor's rights under the promissory note,
24 health-care-insurance receivable or general intangible,
25 including any related information or materials furnished to

1 the debtor in the transaction giving rise to the promissory
2 note, health-care-insurance receivable or general intangible;

3 (5) does not entitle the secured party to
4 use, assign, possess or have access to any trade secrets or
5 confidential information of the person obligated on the
6 promissory note or the account debtor; and

7 (6) does not entitle the secured party to
8 enforce the security interest in the promissory note,
9 health-care-insurance receivable or general intangible. The
10 provisions of this section shall prevail over an inconsistent
11 provision of an existing or future statute or rule of this
12 state, unless the inconsistent provision is set forth in a
13 statute of this state that refers expressly to this section
14 and states that the inconsistent provision shall prevail over
15 the provisions of this section."

16 SECTION 12. Section 55-9-502 NMSA 1978 (being Laws
17 2001, Chapter 139, Section 73) is amended to read:

18 "55-9-502. CONTENTS OF FINANCING STATEMENT--RECORD OF
19 MORTGAGE AS FINANCING STATEMENT--TIME OF FILING FINANCING
20 STATEMENT.--

21 (a) Subject to Subsection (b) of this section, a
22 financing statement is sufficient only if it:

23 (1) provides the name of the debtor;

24 (2) provides the name of the secured party

25 or a representative of the secured party; and

1 (3) indicates the collateral covered by the
2 financing statement.

3 (b) Except as otherwise provided in Subsection (b)
4 of Section 55-9-501 NMSA 1978, to be sufficient a financing
5 statement that covers as-extracted collateral or timber to be
6 cut, or that is filed as a fixture filing and covers goods
7 that are or are to become fixtures, must satisfy Subsection
8 (a) of this section and also:

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

11 (2) indicate that it is to be filed for
12 record in the real property records;

13 (3) provide a description of the real
14 property to which the collateral is related sufficient to
15 give constructive notice of a mortgage pursuant to the laws
16 of this state if the description were contained in a record
17 of the mortgage of the real property; and

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

21 (c) A record of a mortgage is effective, from the
22 date it is filed for record, as a financing statement filed
23 as a fixture filing or as a financing statement covering
24 as-extracted collateral or timber to be cut only if:

25 (1) the record indicates the goods or

1 accounts that it covers;

2 (2) the goods are or are to become fixtures
3 related to the real property described in the record or the
4 collateral is related to the real property described in the
5 record and is as-extracted collateral or timber to be cut;

6 (3) the record satisfies the requirements
7 for a financing statement in this section but:

8 (A) the record need not indicate that
9 it is to be filed for record in the real property records;
10 and

11 (B) the record sufficiently provides
12 the name of a debtor who is an individual if it provides the
13 individual name of the debtor or the surname and first
14 personal name of the debtor, even if the debtor is an
15 individual to whom Paragraph (4) of Subsection (a) of Section
16 55-9-503 NMSA 1978 applies; and

17 (4) the record is recorded.

18 (d) A financing statement may be filed before a
19 security agreement is made or a security interest otherwise
20 attaches."

21 SECTION 13. Section 55-9-503 NMSA 1978 (being Laws
22 2001, Chapter 139, Section 74) is amended to read:

23 "55-9-503. NAME OF DEBTOR AND SECURED PARTY.--

24 (a) A financing statement sufficiently provides
25 the name of the debtor:

1 (1) except as otherwise provided in
2 Paragraph (3) of this section, if the debtor is a registered
3 organization or the collateral is held in a trust that is a
4 registered organization, only if the financing statement
5 provides the name that is stated to be the registered
6 organization's name on the public organic record most
7 recently filed with or issued or enacted by the registered
8 organization's jurisdiction of organization that purports to
9 state, amend or restate the registered organization's name;

10 (2) subject to Subsection (f) of this
11 section, if the collateral is being administered by the
12 personal representative of a decedent, only if the financing
13 statement provides, as the name of the debtor, the name of
14 the decedent and, in a separate part of the financing
15 statement, indicates that the collateral is being
16 administered by a personal representative;

17 (3) if the collateral is held in a trust
18 that is not a registered organization, only if the financing
19 statement:

20 (A) provides, as the name of the
21 debtor:

22 (i) if the organic record of the
23 trust specifies a name for the trust, the name specified; or

24 (ii) if the organic record of the
25 trust does not specify a name for the trust, the name of the

1 settlor or testator; and

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

4 (i) if the name is provided in
5 accordance with Subparagraph (A)(i) of this paragraph,
6 indicates that the collateral is held in a trust; or

7 (ii) if the name is provided in
8 accordance with Subparagraph (A)(ii) of this paragraph,
9 provides additional information sufficient to distinguish the
10 trust from other trusts having one or more of the same
11 settlors or the same testator and indicates that the
12 collateral is held in a trust, unless the additional
13 information so indicates;

14 (4) subject to Subsection (g) of this
15 section, if the debtor is an individual to whom this state
16 has issued a driver's license that has not expired, only if
17 the financing statement provides the name of the individual
18 indicated on the driver's license;

19 (5) if the debtor is an individual to whom
20 Paragraph (4) of this subsection does not apply, only if the
21 financing statement provides the individual name of the
22 debtor or the surname and first personal name of the debtor;
23 and

24 (6) in other cases:

25 (A) if the debtor has a name, only if

1 the financing statement provides the organizational name of
2 the debtor; and

3 (B) if the debtor does not have a name,
4 only if it provides the names of the partners, members,
5 associates or other persons comprising the debtor in a manner
6 such that each name provided would be sufficient if the
7 person named were the debtor.

8 (b) A financing statement that provides the name
9 of the debtor in accordance with Subsection (a) of this
10 section is not rendered ineffective by the absence of:

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

13 (2) unless required under Subparagraph (B)
14 of Paragraph (6) of Subsection (a) of this section, names of
15 partners, members, associates or other persons comprising the
16 debtor.

17 (c) A financing statement that provides only the
18 debtor's trade name does not sufficiently provide the name of
19 the debtor.

20 (d) Failure to indicate the representative
21 capacity of a secured party or representative of a secured
22 party does not affect the sufficiency of a financing
23 statement.

24 (e) A financing statement may provide the name of
25 more than one debtor and the name of more than one secured

1 party.

2 (f) The name of the decedent indicated on the
3 order appointing the personal representative of the decedent
4 issued by the court having jurisdiction over the collateral
5 is sufficient as the name of the decedent under Paragraph (2)
6 of Subsection (a) of this section.

7 (g) If this state has issued to an individual more
8 than one driver's license of a kind described in Paragraph
9 (4) of Subsection (a) of this section, the one that was
10 issued most recently is the one to which Paragraph (4) of
11 Subsection (a) of this section refers.

12 (h) As used in this section, "name of the settlor
13 or testator" means:

14 (1) if the settlor is a registered
15 organization, the name that is stated to be the settlor's
16 name on the public organic record most recently filed with or
17 issued or enacted by the settlor's jurisdiction of
18 organization that purports to state, amend or restate the
19 settlor's name; or

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

22 SECTION 14. Section 55-9-507 NMSA 1978 (being Laws
23 2001, Chapter 139, Section 78) is amended to read:

24 "55-9-507. EFFECT OF CERTAIN EVENTS ON EFFECTIVENESS OF
25 FINANCING STATEMENT.--

1 (a) A filed financing statement remains effective
2 with respect to collateral that is sold, exchanged, leased,
3 licensed or otherwise disposed of and in which a security
4 interest or agricultural lien continues, even if the secured
5 party knows of or consents to the disposition.

6 (b) Except as otherwise provided in Subsection (c)
7 of this section and Section 55-9-508 NMSA 1978, a financing
8 statement is not rendered ineffective if, after the financing
9 statement is filed, the information provided in the financing
10 statement becomes seriously misleading under Section 55-9-506
11 NMSA 1978.

12 (c) If the name that a filed financing statement
13 provides for a debtor becomes insufficient as the name of the
14 debtor under Subsection (a) of Section 55-9-503 NMSA 1978
15 such that the financing statement becomes seriously
16 misleading under Section 55-9-506 NMSA 1978:

17 (1) the financing statement is effective to
18 perfect a security interest in collateral acquired by the
19 debtor before, or within four months after, the filed
20 financing statement becomes seriously misleading; and

21 (2) the financing statement is not effective
22 to perfect a security interest in collateral acquired by the
23 debtor more than four months after the filed financing
24 statement becomes seriously misleading, unless an amendment
25 to the financing statement that renders the financing

1 statement not seriously misleading is filed within four
2 months after the financing statement became seriously
3 misleading."

4 SECTION 15. Section 55-9-515 NMSA 1978 (being Laws
5 2001, Chapter 139, Section 86, as amended) is amended to
6 read:

7 "55-9-515. DURATION AND EFFECTIVENESS OF FINANCING
8 STATEMENT--EFFECT OF LAPSED FINANCING STATEMENT.--

9 (a) Except as otherwise provided in Subsections
10 (b), (e), (f) and (g) of this section, a filed financing
11 statement is effective for a period of five years after the
12 date of filing.

13 (b) Except as otherwise provided in Subsections
14 (e), (f) and (g) of this section, an initial financing
15 statement filed in connection with a manufactured-home
16 transaction is effective for a period of thirty years after
17 the date of filing if it indicates that it is filed in
18 connection with a manufactured-home transaction.

19 (c) The effectiveness of a filed financing
20 statement lapses on the expiration of the period of its
21 effectiveness unless before the lapse a continuation
22 statement is filed pursuant to Subsection (d) of this
23 section. Upon lapse, a financing statement ceases to be
24 effective and any security interest or agricultural lien that
25 was perfected by the financing statement becomes unperfected

1 unless the security interest is perfected otherwise. If the
2 security interest or agricultural lien becomes unperfected
3 upon lapse, it is deemed never to have been perfected as
4 against a purchaser of the collateral for value.

5 (d) A continuation statement may be filed only
6 within six months before the expiration of the five-year
7 period specified in Subsection (a) of this section or the
8 thirty-year period specified in Subsection (b) of this
9 section, whichever is applicable.

10 (e) Except as otherwise provided in Section
11 55-9-510 NMSA 1978, upon timely filing of a continuation
12 statement, the effectiveness of the initial financing
13 statement continues for a period of five years commencing on
14 the day on which the financing statement would have become
15 ineffective in the absence of the filing. Upon the
16 expiration of the five-year period, the financing statement
17 lapses in the same manner as provided in Subsection (c) of
18 this section, unless, before the lapse, another continuation
19 statement is filed pursuant to Subsection (d) of this
20 section. Succeeding continuation statements may be filed in
21 the same manner to continue the effectiveness of the initial
22 financing statement.

23 (f) If a debtor is a transmitting utility and a
24 filed initial financing statement so indicates, the financing
25 statement is effective until a termination statement is

1 filed. The filing officer may require proof of the debtor's
2 authority to operate as a transmitting utility as a condition
3 of filing the financing statement or an amendment.

4 (g) A record of a mortgage that is effective as a
5 financing statement filed as a fixture filing under
6 Subsection (c) of Section 55-9-502 NMSA 1978 remains
7 effective as a financing statement filed as a fixture filing
8 until the mortgage is released or satisfied of record or its
9 effectiveness otherwise terminates as to the real property."

10 SECTION 16. Section 55-9-516 NMSA 1978 (being Laws
11 2001, Chapter 139, Section 87) is amended to read:

12 "55-9-516. WHAT CONSTITUTES FILING--EFFECTIVENESS OF
13 FILING.--

14 (a) Except as otherwise provided in Subsection (b)
15 of this section, communication of a record to a filing office
16 and tender of the filing fee or acceptance of the record by
17 the filing office constitutes filing.

18 (b) Filing does not occur with respect to a record
19 that the secretary of state refuses to accept because:

20 (1) the record is not communicated by a
21 method or medium of communication authorized by the filing
22 office;

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

25 (3) the filing office is unable to index the

1 record because:

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

4 (B) in the case of an amendment or
5 information statement, the record:

6 (i) does not identify the initial
7 financing statement as required by Section 55-9-512 or
8 55-9-518 NMSA 1978, as applicable; or

9 (ii) identifies an initial
10 financing statement whose effectiveness has lapsed under
11 Section 55-9-515 NMSA 1978;

12 (C) in the case of an initial financing
13 statement that provides the name of a debtor identified as an
14 individual or an amendment that provides a name of a debtor
15 identified as an individual that was not previously provided
16 in the financing statement to which the record relates, the
17 record does not identify the debtor's surname; or

18 (D) in the case of a record filed or
19 recorded in the filing office described in Paragraph (1) of
20 Subsection (a) of Section 55-9-501 NMSA 1978, the record does
21 not provide a sufficient description of the real property to
22 which it relates;

23 (4) in the case of an initial financing
24 statement or an amendment that adds a secured party of
25 record, the record does not provide a name and mailing

1 address for the secured party of record;

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

6 (A) provide a mailing address for the
7 debtor; or

8 (B) indicate whether the name provided
9 as the name of the debtor is the name of an individual or an
10 organization;

11 (6) in the case of an assignment reflected
12 in an initial financing statement under Subsection (a) of
13 Section 55-9-514 NMSA 1978 or an amendment filed under
14 Subsection (b) of Section 55-9-514 NMSA 1978, the record does
15 not provide a name and mailing address for the assignee; or

16 (7) in the case of a continuation statement,
17 the record is not filed within the six-month period
18 prescribed by Subsection (d) of Section 55-9-515 NMSA 1978.

19 (c) For purposes of Subsection (b) of this
20 section:

21 (1) a record does not provide information if
22 the secretary of state is unable to read or decipher the
23 information; and

24 (2) a record that does not indicate that it
25 is an amendment or identify an initial financing statement to

1 which it relates, as required by Section 55-9-512, 55-9-514
2 or 55-9-518 NMSA 1978, is an initial financing statement.

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

10 SECTION 17. Section 55-9-518 NMSA 1978 (being Laws
11 2001, Chapter 139, Section 89) is amended to read:

12 "55-9-518. CLAIM CONCERNING INACCURATE OR WRONGFULLY
13 FILED RECORD.--

14 (a) A person may file in the filing office an
15 information statement with respect to a record indexed there
16 under the person's name if the person believes that the
17 record is inaccurate or was wrongfully filed.

18 (b) An information statement under Subsection (a)
19 of this section must:

20 (1) identify the record to which it relates
21 by the file number assigned to the initial financing
22 statement to which the record relates;

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

25 (3) provide the basis for the person's

1 belief that the record is inaccurate and indicate the manner
2 in which the person believes the record should be amended to
3 cure any inaccuracy or provide the basis for the person's
4 belief that the record was wrongfully filed.

5 (c) A person may file in the filing office an
6 information statement with respect to a record filed there if
7 the person is a secured party of record with respect to the
8 financing statement to which the record relates and believes
9 that the person that filed the record was not entitled to do
10 so under Subsection (d) of Section 55-9-509 NMSA 1978.

11 (d) An information statement under Subsection (c)
12 of this section must:

13 (1) identify the record to which it relates
14 by the file number assigned to the initial financing
15 statement to which the record relates;

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

18 (3) provide the basis for the person's
19 belief that the person that filed the record was not entitled
20 to do so under Subsection (d) of Section 55-9-509 NMSA 1978.

21 (e) The filing of an information statement does
22 not affect the effectiveness of an initial financing
23 statement or other filed record."

24 SECTION 18. Section 55-9-521 NMSA 1978 (being Laws
25 2001, Chapter 139, Section 92) is repealed and a new Section

1 55-9-521 NMSA 1978 is enacted to read:

2 "55-9-521. FORM OF FINANCING STATEMENT AND AMENDMENT--
3 RECORDS.--

4 (a) A filing office that accepts written records
5 may not refuse to accept a written initial financing
6 statement that is in the following form and format, except
7 for a reason set forth in Subsection (b) of Section 55-9-516
8 NMSA 1978:

9 "UCC FINANCING STATEMENT

10 FOLLOW INSTRUCTIONS

11 A. NAME & PHONE OF CONTACT AT FILER (optional)

12 _____

13 B. E-MAIL CONTACT AT FILER (optional)

14 _____

15 C. SEND ACKNOWLEDGMENT TO: (Name and Address)

16 _____

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18 _____

THE ABOVE SPACE IS
FOR FILING
OFFICE USE ONLY

19 1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b)
20 (use exact, full name; do not omit, modify, or
21 abbreviate any part of the Debtor's name), if any part
22 of the Individual Debtor's name will not fit in line 1b,
23 leave all of item 1 blank, check here and provide the
24 Individual Debtor information in item 10 of the
25 Financing Statement Addendum (Form UCC1Ad)

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1a. ORGANIZATION'S NAME

OR 1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

1c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b)
(use exact, full name; do not omit, modify, or
abbreviate any part of the Debtor's name), if any part
of the Individual Debtor's name will not fit in line 2b,
leave all of item 2 blank, check here and provide the
Individual Debtor information in item 10 of the
Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

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ADDITIONAL NAME(S)/INITIALS(S) SUFFIX

2c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR
SECURED PARTY) Provide only one Secured Party name (3a
or 3b)

3a. ORGANIZATION'S NAME

OR 3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

3c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

4. COLLATERAL: This financing statement covers the
following collateral

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5. Check only if applicable and check only one box.
- Collateral is
- held in a Trust (see UCCLAd, item 17 and instructions)
 - being administered by a Decedent's Personal Representative

- 6a. Check only if applicable and check only one box.
- Public-Finance Transaction
 - Manufactured-Home Transaction
 - A Debtor is a Transmitting Utility

- 6b. Check only if applicable and check only one box.
- Agricultural Lien
 - Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable)
- Lessee/Lessor
 - Consignee/Consignor
 - Seller/Buyer
 - Bailee/Bailor
 - Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT (Form UCC1)(Rev. 04/20/11)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line

1 1a or 1b on Financing Statement; if
2 line 1b was left blank because
3 Individual Debtor name did not fit,
4 check here _____

5 9a. ORGANIZATION'S NAME

6 _____
7 _____

8 OR 9b. INDIVIDUAL'S SURNAME

9 _____
10 FIRST PERSONAL NAME

11 _____ THE ABOVE SPACE IS
12 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX FOR FILING
13 _____ OFFICE USE ONLY

14 10. DEBTOR'S NAME: Provide (10a or 10b) only one additional
15 Debtor name or Debtor name that did not fit in line 1b or
16 2b of the Financing Statement (Form UCC1)(use exact, full
17 name; do not omit, modify, or abbreviate any part of the
18 Debtor's name) and enter the mailing address in line 10c

19 10a. ORGANIZATION'S NAME

20 _____

21 OR 10b. INDIVIDUAL'S SURNAME

22 _____

23 FIRST PERSONAL NAME

24 _____

25 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

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10c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

11. ____ ADDITIONAL SECURED PARTY'S NAME or
____ ASSIGNOR SECURED PARTY'S NAME: Provide only one
name (11a or 11b)

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS

CITY STATE POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ____ This FINANCING STATEMENT is to be filed [for record]

1 (or recorded) in the REAL ESTATE RECORDS (if applicable)

2 14. This FINANCING STATEMENT:

3 ___ covers timber to be cut

4 ___ covers as-extracted collateral

5 ___ is filed as a fixture filing

6 15. Name and address of a RECORD OWNER of real estate
7 described in item 16 (if Debtor does not have a record
8 interest):

9 _____
10 _____
11 _____

12 16. Description of real estate:

13 _____
14 _____
15 _____

16 17. MISCELLANEOUS:

17 _____
18 _____

19 UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad) (Rev.
20 04/20/11)".

21 (b) A filing office that accepts written records
22 may not refuse to accept a written record in the following
23 form and format except for a reason set forth in Subsection
24 (b) of Section 55-9-516 NMSA 1978:

25 "UCC FINANCING STATEMENT AMENDMENT

1 FOLLOW INSTRUCTIONS

2 A. NAME & PHONE OF CONTACT AT FILER (optional)

3 _____

4 B. E-MAIL CONTACT AT FILER (optional)

5 _____

6 C. SEND ACKNOWLEDGMENT TO: (Name and Address)

7 _____

THE ABOVE SPACE IS

8 _____

FOR FILING

9 _____

OFFICE USE ONLY

10 1a. INITIAL FINANCING STATEMENT FILE NUMBER

11 _____

12 1b. ___ This FINANCING STATEMENT AMENDMENT is to be filed

13 [for record] (or recorded) in the REAL ESTATE RECORDS

14 Filer: attach Amendment Addendum (Form UCC3Ad) and

15 provide Debtor's name in item 13

16 2. ___ TERMINATION: Effectiveness of the Financing

17 Statement identified above is terminated with respect to

18 the security interest(s) of Secured Party authorizing

19 this Termination Statement.

20 3. ___ ASSIGNMENT (full or partial): Provide name of

21 Assignee in item 7a or 7b, and address of Assignee in

22 item 7c and name of Assignor in item 9. For partial

23 assignment, complete items 7 and 9 and also indicate

24 affected collateral in item 8.

25 4. ___ CONTINUATION: Effectiveness of the Financing

1 Statement identified above with respect to the security
2 interest(s) of Secured Party authorizing this
3 Continuation Statement is continued for the additional
4 period provided by applicable law.

5 5. PARTY INFORMATION CHANGE:

6 Check one of these two boxes:

7 This change affects ___ Debtor or ___ Secured Party of
8 record

9 AND Check one of these three boxes to:

10 ___ CHANGE name and/or address: Complete item 6a or 6b;
11 and item 7a or 7b and item 7c

12 ___ ADD name: Complete item 7a or 7b, and item 7c

13 ___ DELETE name: Give record name to be deleted in item
14 6a or 6b

15 6. CURRENT RECORD INFORMATION: Complete for Party

16 Information Change - provide only one name (6a or 6b)

17 6a. ORGANIZATION'S NAME

18 _____

19 OR 6b. INDIVIDUAL'S SURNAME

20 _____

21 FIRST PERSONAL NAME

22 _____

23 ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

24 _____

25 7. CHANGED OR ADDED INFORMATION: Complete for Assignment or

1 Party Information Change - provide only one name (7a or 7b)
2 (use exact, full name; do not omit, modify, or abbreviate any
3 part of the Debtor's name)

4 7a. ORGANIZATION'S NAME
5 _____

6 OR 7b. INDIVIDUAL'S SURNAME
7 _____

8 FIRST PERSONAL NAME
9 _____
10 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
11 _____

12 7c. MAILING ADDRESS
13 _____
14 CITY STATE POSTAL CODE COUNTRY
15 _____

16 8. ___ COLLATERAL CHANGE: Also check one of these four
17 boxes:

18 ___ ADD collateral ___ DELETE collateral
19 ___ RESTATE covered collateral ___ ASSIGN collateral
20 Indicate collateral: _____

21 9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS
22 AMENDMENT: Provide only one name (9a or 9b) (name of
23 Assignor, if this is an Assignment)
24 If this is an Amendment authorized by a DEBTOR, check
25 here ___ and provide name of authorizing Debtor

1 9a. ORGANIZATION'S NAME

2 _____

3 OR 9b. INDIVIDUAL'S SURNAME

4 _____

5 FIRST PERSONAL NAME

6 _____

7 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

8 _____

9 10. OPTIONAL FILER REFERENCE DATA:

10 _____

11 UCC FINANCING STATEMENT AMENDMENT ADDENDUM

12 FOLLOW INSTRUCTIONS

13 11. INITIAL FINANCING STATEMENT FILE NUMBER: Same as item 1a
14 on Amendment form

15 _____

16 12. NAME OF PARTY AUTHORIZING THIS AMENDMENT: Same as item 9
17 on Amendment form

18 12a. ORGANIZATION'S NAME

19 _____

20 OR 12b. INDIVIDUAL'S SURNAME

21 _____

22 FIRST PERSONAL NAME

23 _____

24 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

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FOR FILING

OFFICE USE ONLY

13. Name of DEBTOR on related financing statement (Name of a current Debtor of record required for indexing purposes only in some filing offices – see Instruction item 13). Provide only one Debtor name (13a or 13b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name). See instructions if name does not fit.

13a. ORGANIZATION'S NAME

OR 13b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

14. ADDITIONAL SPACE FOR ITEM 8 (Collateral):

15. This FINANCING STATEMENT AMENDMENT:

__ covers timber to be cut, __ covers as-extracted collateral, __ is filed as a fixture filing

16. Name and address of a RECORD OWNER of real estate described in item 17 (if Debtor does not have a record interest):

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17. Description of real estate:

18. MISCELLANEOUS

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

(Form UCC3Ad) (Rev 04/20/11)"."

SECTION 19. Section 55-9-607 NMSA 1978 (being Laws 2001, Chapter 139, Section 104) is amended to read:

"55-9-607. COLLECTION AND ENFORCEMENT BY SECURED PARTY.--

(a) If so agreed, and in any event after default, a secured party:

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

(2) may take any proceeds to which the secured party is entitled under Section 55-9-315 NMSA 1978;

(3) may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the

1 obligation of the account debtor or other person obligated on
2 collateral to make payment or otherwise render performance to
3 the debtor, and with respect to any property that secures the
4 obligations of the account debtor or other person obligated on
5 the collateral;

6 (4) if it holds a security interest in a
7 deposit account perfected by control under Paragraph (1) of
8 Subsection (a) of Section 55-9-104 NMSA 1978, may apply the
9 balance of the deposit account to the obligation secured by
10 the deposit account; and

11 (5) if it holds a security interest in a
12 deposit account perfected by control under Paragraph (2) or
13 (3) of Subsection (a) of Section 55-9-104 NMSA 1978, may
14 instruct the bank to pay the balance of the deposit account to
15 or for the benefit of the secured party.

16 (b) If necessary to enable a secured party to
17 exercise under Paragraph (3) of Subsection (a) of this section
18 the right of a debtor to enforce a mortgage nonjudicially, the
19 secured party may record in the office in which a record of
20 the mortgage is recorded:

21 (1) a copy of the security agreement that
22 creates or provides for a security interest in the obligation
23 secured by the mortgage; and

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

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

3 (B) the secured party is entitled to
4 enforce the mortgage nonjudicially.

5 (c) A secured party shall proceed in a
6 commercially reasonable manner if the secured party:

7 (1) undertakes to collect from or enforce an
8 obligation of an account debtor or other person obligated on
9 collateral; and

10 (2) is entitled to charge back uncollected
11 collateral or otherwise to full or limited recourse against
12 the debtor or a secondary obligor.

13 (d) A secured party may deduct from the
14 collections made pursuant to Subsection (c) of this section
15 reasonable expenses of collection and enforcement, including
16 reasonable attorney fees and legal expenses incurred by the
17 secured party.

18 (e) This section does not determine whether an
19 account debtor, bank or other person obligated on collateral
20 owes a duty to a secured party."

21 SECTION 20. A new Section 55-9-801 NMSA 1978 is enacted
22 to read:

23 "55-9-801. EFFECTIVE DATE.--The effective date of the
24 provisions of this 2013 act is July 1, 2013."

25 SECTION 21. A new Section 55-9-802 NMSA 1978 is enacted

1 to read:

2 "55-9-802. APPLICABILITY.--

3 (a) Except as otherwise provided in this part,
4 this 2013 act applies to a transaction or lien within its
5 scope, even if the transaction or lien was entered into or
6 created before this 2013 act takes effect.

7 (b) This 2013 act does not affect an action, case
8 or proceeding commenced before this 2013 act takes effect."

9 SECTION 22. A new Section 55-9-803 NMSA 1978 is enacted
10 to read:

11 "55-9-803. SECURITY INTEREST PERFECTED BEFORE EFFECTIVE
12 DATE.--

13 (a) A security interest that is a perfected
14 security interest immediately before this 2013 act takes
15 effect is a perfected security interest under Chapter 55,
16 Article 9 NMSA 1978, as amended by this 2013 act, if, when
17 this 2013 act takes effect, the applicable requirements for
18 attachment and perfection under Chapter 55, Article 9 NMSA
19 1978, as amended by this 2013 act, are satisfied without
20 further action.

21 (b) Except as otherwise provided in Section
22 55-9-805 NMSA 1978, if, immediately before this 2013 act takes
23 effect, a security interest is a perfected security interest
24 but the applicable requirements for perfection under Chapter
25 55, Article 9 NMSA 1978, as amended by this 2013 act, are not

1 satisfied when this act takes effect, the security interest
2 remains perfected thereafter only if the applicable
3 requirements for perfection under Chapter 55, Article 9 NMSA
4 1978, as amended by this 2013 act, are satisfied within one
5 year after this 2013 act takes effect."

6 SECTION 23. A new Section 55-9-804 NMSA 1978 is enacted
7 to read:

8 "55-9-804. SECURITY INTEREST UNPERFECTED BEFORE
9 EFFECTIVE DATE.--A security interest that is an unperfected
10 security interest immediately before this 2013 act takes
11 effect becomes a perfected security interest:

12 (a) without further action, when this 2013 act
13 takes effect, if the applicable requirements for perfection
14 under Chapter 55, Article 9 NMSA 1978, as amended by this 2013
15 act, are satisfied before or at that time; or

16 (b) when the applicable requirements for
17 perfection are satisfied if the requirements are satisfied
18 after that time."

19 SECTION 24. A new Section 55-9-805 NMSA 1978 is enacted
20 to read:

21 "55-9-805. EFFECTIVENESS OF ACTION TAKEN BEFORE
22 EFFECTIVE DATE.--

23 (a) The filing of a financing statement before
24 this 2013 act takes effect is effective to perfect a security
25 interest to the extent the filing would satisfy the applicable

1 requirements for perfection under Chapter 55, Article 9 NMSA
2 1978, as amended by this 2013 act.

3 (b) This 2013 act does not render ineffective an
4 effective financing statement that, before this 2013 act takes
5 effect, is filed and satisfies the applicable requirements for
6 perfection under the law of the jurisdiction governing
7 perfection as provided in Chapter 55, Article 9 NMSA 1978 as
8 it existed before amendment. However, except as otherwise
9 provided in Subsections (c) and (d) of this section and
10 Section 55-9-806 NMSA 1978, the financing statement ceases to
11 be effective:

12 (1) if the financing statement is filed in
13 this state at the time the financing statement would have
14 ceased to be effective had this 2013 act not taken effect; or

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

17 (A) the time the financing statement
18 would have ceased to be effective under the law of that
19 jurisdiction; or

20 (B) June 30, 2018.

21 (c) The filing of a continuation statement after
22 this 2013 act takes effect does not continue the effectiveness
23 of a financing statement filed before this 2013 act takes
24 effect. However, upon the timely filing of a continuation
25 statement after this 2013 act takes effect, and in accordance

1 with the law of the jurisdiction governing perfection as
2 provided in Chapter 55, Article 9 NMSA 1978, as amended by
3 this 2013 act, the effectiveness of a financing statement
4 filed in the same office in that jurisdiction before this 2013
5 act takes effect continues for the period provided by the law
6 of that jurisdiction.

7 (d) Subparagraph (B) of Paragraph (2) of
8 Subsection (b) of this section applies to a financing
9 statement that, before this 2013 act takes effect, is filed
10 against a transmitting utility and satisfies the applicable
11 requirements for perfection under the law of the jurisdiction
12 governing perfection as provided in Chapter 55, Article 9 NMSA
13 1978, as it existed before amendment, only to the extent that
14 Chapter 55, Article 9 NMSA 1978, as amended by this 2013 act,
15 provides that the law of a jurisdiction other than the
16 jurisdiction in which the financing statement is filed governs
17 perfection of a security interest in collateral covered by the
18 financing statement.

19 (e) A financing statement that includes a
20 financing statement filed before this 2013 act takes effect
21 and a continuation statement filed after this 2013 act takes
22 effect is effective only to the extent that it satisfies the
23 requirements of Part 5, as amended by this 2013 act, for an
24 initial financing statement. A financing statement that
25 indicates that the debtor is a decedent's estate indicates

1 that the collateral is being administered by a personal
2 representative within the meaning of Paragraph (2) of
3 Subsection (a) of Section 55-9-503 NMSA 1978, as amended by
4 this 2013 act. A financing statement that indicates that the
5 debtor is a trust, or is a trustee acting with respect to
6 property held in trust, indicates that the collateral is held
7 in a trust within the meaning of Paragraph (3) of Subsection
8 (a) of Section 55-9-503 NMSA 1978, as amended by this 2013
9 act."

10 SECTION 25. A new Section 55-9-806 NMSA 1978 is enacted
11 to read:

12 "55-9-806. WHEN INITIAL FINANCING STATEMENT SUFFICES TO
13 CONTINUE EFFECTIVENESS OF FINANCING STATEMENT.--

14 (a) The filing of an initial financing statement
15 in the office specified in Section 55-9-501 NMSA 1978
16 continues the effectiveness of a financing statement filed
17 before this 2013 act takes effect if:

18 (1) the filing of an initial financing
19 statement in that office would be effective to perfect a
20 security interest under Chapter 55, Article 9 NMSA 1978, as
21 amended by this 2013 act;

22 (2) the pre-effective-date financing
23 statement was filed in an office in another state; and

24 (3) the initial financing statement
25 satisfies Subsection (c) of this section.

1 (b) The filing of an initial financing statement
2 under Subsection (a) of this section continues the
3 effectiveness of the pre-effective-date financing statement:

4 (1) if the initial financing statement is
5 filed before this 2013 act takes effect, for the period
6 provided in unamended Section 55-9-515 NMSA 1978 with respect
7 to an initial financing statement; and

8 (2) if the initial financing statement is
9 filed after this 2013 act takes effect, for the period
10 provided in Section 55-9-515 NMSA 1978, as amended by this
11 2013 act, with respect to an initial financing statement.

12 (c) To be effective for purposes of Subsection (a)
13 of this section, an initial financing statement must:

14 (1) satisfy the requirements of Part 5, as
15 amended by this 2013 act, for an initial financing statement;

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

22 (3) indicate that the pre-effective-date
23 financing statement remains effective."

24 SECTION 26. A new Section 55-9-807 NMSA 1978 is enacted
25 to read:

1 "55-9-807. AMENDMENT OF PRE-EFFECTIVE-DATE FINANCING
2 STATEMENT.--

3 (a) As used in this section, "pre-effective-date
4 financing statement" means a financing statement filed before
5 this 2013 act takes effect.

6 (b) After this 2013 act takes effect, a person may
7 add or delete collateral covered by, continue or terminate the
8 effectiveness of, or otherwise amend the information provided
9 in, a pre-effective-date financing statement only in
10 accordance with the law of the jurisdiction governing
11 perfection as provided in Chapter 55, Article 9 NMSA 1978, as
12 amended by this 2013 act. However, the effectiveness of a
13 pre-effective-date financing statement also may be terminated
14 in accordance with the law of the jurisdiction in which the
15 financing statement is filed.

16 (c) Except as otherwise provided in Subsection (d)
17 of this section, if the law of this state governs perfection
18 of a security interest, the information in a
19 pre-effective-date financing statement may be amended after
20 this 2013 act takes effect only if:

21 (1) the pre-effective-date financing
22 statement and an amendment are filed in the office specified
23 in Section 55-9-501 NMSA 1978;

24 (2) an amendment is filed in the office
25 specified in Section 55-9-501 NMSA 1978 concurrently with, or

1 after the filing in that office of, an initial financing
2 statement that satisfies Subsection (c) of Section 55-9-806
3 NMSA 1978; or

4 (3) an initial financing statement that
5 provides the information as amended and that satisfies
6 Subsection (c) of Section 55-9-806 NMSA 1978, is filed in the
7 office specified in Section 55-9-501 NMSA 1978.

8 (d) If the law of this state governs perfection of
9 a security interest, the effectiveness of a
10 pre-effective-date financing statement may be continued only
11 pursuant to Subsections (c) and (e) of Section 55-9-805 or
12 Section 55-9-806 NMSA 1978.

13 (e) Whether or not the law of this state governs
14 perfection of a security interest, the effectiveness of a pre-
15 effective-date financing statement filed in this state may be
16 terminated after this 2013 act takes effect by filing a
17 termination statement in the office in which the
18 pre-effective-date financing statement is filed, unless an
19 initial financing statement that satisfies Subsection (c) of
20 Section 55-9-806 NMSA 1978 has been filed in the office
21 specified by the law of the jurisdiction governing perfection
22 as provided in Chapter 55, Article 9 NMSA 1978, as amended by
23 this 2013 act as the office in which to file a financing
24 statement."

25 SECTION 27. A new Section 55-9-808 NMSA 1978 is enacted

1 to read:

2 "55-9-808. 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 (a) the secured party of record authorizes the
7 filing; and

8 (b) the filing is necessary under this part:

9 (1) to continue the effectiveness of a
10 financing statement filed before this 2013 act takes effect;

11 or

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

14 SECTION 28. A new Section 55-9-809 NMSA 1978 is enacted
15 to read:

16 "55-9-809. PRIORITY.--This 2013 act determines the
17 priority of conflicting claims to collateral. However, if the
18 relative priorities of the claims are established before this
19 2013 act takes effect, Chapter 55, Article 9 NMSA 1978, as it
20 existed before amendment, determines priority."

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