

AN ACT

RELATING TO COMMERCIAL TRANSACTIONS; CLARIFYING THAT A CONTINUATION STATEMENT REQUIRES SIGNATURE ONLY BY THE SECURED PARTY; AMENDING A SECTION OF THE NMSA 1978.

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

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Section 1. Section 56-13-7 NMSA 1978 (being Laws 1987, Chapter 177, Section 7) is amended to read:

"56-13-7. CONTINUATION STATEMENT.--A continuation statement may be filed by the secured party within six months prior to the expiration of the five-year period specified in Paragraph (6) of Subsection E of Section 56-13-3 NMSA 1978. Any such continuation statement shall be signed by the secured party, shall identify the original statement by file number and shall state that the original statement is still effective. Upon timely filing of the continuation statement, the effectiveness of the original statement shall be continued for five years after the last date to which the filing was effective, whereupon it shall lapse unless another continuation statement is filed prior to such lapse. If an effective financing statement exists at the time insolvency proceedings are commenced by or against the debtor, the effective financing statement shall remain effective until termination of the insolvency proceedings and thereafter for a period of sixty days or until the expiration of the five-year period, whichever occurs later. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement."

Section 2. EFFECTIVE DATE.--The effective date of the

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provisions of this act is July 1, 1999. \_\_\_\_\_

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