

Table of Contents

CHAPTER 1. INTRODUCTION

I. UCC BACKGROUND AND HISTORY

- § 1:1 The Law Merchant
- § 1:2 Pre-UCC Uniform Laws
- § 1:3 The Uniform Commercial Code
- § 1:4 Louisiana's adoption of certain UCC articles

II. THE ADOPTION OF LOUISIANA UCC CHAPTER 9

- § 1:5 Pre-Chapter 9 law
- § 1:6 Original Article 9 bill
- § 1:7 1989 revisions

III. THE 2001 REVISION OF UCC ARTICLE 9 AND LOUISIANA UCC CHAPTER 9

- § 1:8 The revision of model UCC Article 9
- § 1:9 The 2001 revision of Louisiana UCC Chapter 9
- § 1:10 The 2022 UCC Amendments

CHAPTER 2. SCOPE OF LOUISIANA UCC CHAPTER 9

I. WHAT IS INCLUDED

- § 2:1 In general
- § 2:2 Security rights in real property
- § 2:3 Contractual security interests
- § 2:4 —Intangible rights
- § 2:5 Additional covered transactions

II. APPLICABILITY OF LOUISIANA UCC CHAPTER 9 TO STATUTORY LIENS AND PRIVILEGES

- § 2:6 Statutory liens and privileges
- § 2:7 —Types of liens and privileges
- § 2:8 —Supplementation with Consensual Security Interest
- § 2:9 —Priority issues

III. REAL PROPERTY-RELATED EXCLUSIONS

- § 2:10 Total exclusions from coverage

LOUISIANA SECURED TRANSACTIONS

- § 2:11 Real estate encumbrances
- § 2:12 —Ordinary, direct-reduction mortgages
- § 2:13 —Multiple indebtedness mortgages
- § 2:14 —Collateral mortgages
- § 2:15 — —Limited applicability of Chapter 9
- § 2:16 Real estate leases and rents
- § 2:17 —Secured indebtedness
- § 2:18 —Collateral description
- § 2:19 —Perfection rules
- § 2:20 — —Reinscription
- § 2:21 — —Transition
- § 2:22 —Notice to the lessee
- § 2:23 —Prohibitions against lease assignment
- § 2:24 Real estate-related contracts
- § 2:25 —Payments under purchase agreements
- § 2:26 —Rights under construction contracts
- § 2:27 —Other contract rights
- § 2:28 Timber mortgages
- § 2:29 Timber security agreements
- § 2:30 Timber mortgages and security agreements—Multi-state considerations
- § 2:31 —Central agricultural registry rules
- § 2:32 —Severed timber
- § 2:33 Oil, gas, and other minerals prior to extraction
- § 2:34 Mineral payments due to a landowner or mineral servitude owner

IV. OTHER TOTAL EXCLUSIONS

- § 2:35 Transactions involving certain accounts, chattel paper, payment intangibles, or promissory notes
- § 2:36 Insurance

V. LIMITED EXCLUSIONS FROM COVERAGE

- § 2:37 Limited exclusions in general
- § 2:38 Preferred ship mortgages
- § 2:39 —Ship Mortgage Act
- § 2:40 —Ship charter rights
- § 2:41 Aircraft security interests
- § 2:42 —Federal Aviation Act
- § 2:43 —Cape Town Convention
- § 2:44 —Security interests in avionics and spare parts
- § 2:45 —Aircraft charter rights
- § 2:46 Assignments of federal contract rights
- § 2:47 —Applicability of UCC Chapter 9

TABLE OF CONTENTS

- § 2:48 Other federal laws
- § 2:49 —Railroad rolling stock; certain vessels
- § 2:50 —Copyrights, patents, and trademarks
- § 2:51 Security interests granted by Louisiana governmental units
- § 2:52 —Public revenue
- § 2:53 Wage assignments
- § 2:54 Transactions with pawnbrokers.
- § 2:55 Electric utility exclusions.

VI. SUMMARY: HOW LOUISIANA UCC CHAPTER 9 DIFFERS IN SCOPE FROM OTHER STATES

- § 2:56 Louisiana additions to coverage
- § 2:57 Louisiana exclusions from coverage
- § 2:58 Significance to lenders and their attorneys

CHAPTER 3. LOUISIANA UCC TERMINOLOGY AND TYPES OF COLLATERAL

I. BASIC UCC TERMINOLOGY

- § 3:1 Key Chapter 9 terminology
- § 3:2 Security interest
- § 3:3 Agricultural lien
- § 3:4 Collateral
- § 3:5 Debtor
- § 3:6 Secured party
- § 3:7 Record; Sign; Authenticate
- § 3:8 Attachment
- § 3:9 Security agreement
- § 3:10 Value
- § 3:11 Perfection
- § 3:12 Financing statement
- § 3:13 Filing office
- § 3:14 Filing
- § 3:15 Possession
- § 3:16 Notice
- § 3:17 Control
- § 3:18 Possession and Control

II. ADDITIONAL UCC TERMS

- § 3:19 Accessions

- § 3:20 Account debtor
- § 3:21 Assignor; assignee; assignment
- § 3:22 Buyers and lessees in the ordinary course of business
- § 3:23 Commingled goods
- § 3:24 Consignment
- § 3:25 Controllable electronic record
- § 3:26 Good faith
- § 3:27 Lien creditor
- § 3:28 Obligor; secondary obligor
- § 3:29 Person
- § 3:30 Proceeds
- § 3:31 Purchase money security interest
- § 3:32 Recorded timber conveyance
- § 3:33 Registered organization
- § 3:34 Supporting obligations

III. TYPES OF UCC COLLATERAL

- § 3:35 Basic categories of UCC collateral
- § 3:36 —Significance
- § 3:37 Goods
- § 3:38 Consumer goods
- § 3:39 —Debtor must be individual
- § 3:40 —Consumer purpose
- § 3:41 — —Consumer loan purpose distinguished
- § 3:42 —Subsequent change in use
- § 3:43 Farm products
- § 3:44 —Additional required conditions
- § 3:45 —Natural progression
- § 3:46 —Central agricultural registry filing
- § 3:47 — —Dual purpose filings
- § 3:48 — —Standing timber
- § 3:49 Inventory
- § 3:50 —Distinguished from equipment
- § 3:51 —Goods consumed in debtor's own business
- § 3:52 Equipment
- § 3:53 Fixtures
- § 3:54 Manufactured homes
- § 3:55 Instruments
- § 3:56 —Examples
- § 3:57 —Distinctions among instruments, accounts, and chattel paper
- § 3:58 —Conversion of instruments into chattel paper, and vice versa
- § 3:59 —Promissory notes

TABLE OF CONTENTS

§ 3:60	—Distinction between instruments and investment property
§ 3:61	—Instruments as form of investment property
§ 3:62	Chattel paper
§ 3:63	—Distinction between chattel paper and real estate mortgage notes
§ 3:64	—Perfecting a security interest in chattel paper
§ 3:65	—Two-tiered perfection concerns
§ 3:66	Accounts
§ 3:67	—Limited definition
§ 3:68	—Health-care-insurance receivables
§ 3:69	—Controllable accounts
§ 3:70	—Exclusions
§ 3:71	—Perfecting a security interest
§ 3:72	—Distinction between accounts, instruments, and chattel paper
§ 3:73	—Distinction between accounts and general intangibles
§ 3:74	—Conversion of accounts into other collateral
§ 3:75	As-extracted collateral
§ 3:76	Documents
§ 3:77	—Tangible and electronic documents
§ 3:78	—Negotiable and nonnegotiable documents
§ 3:79	—Perfecting a security interest
§ 3:80	Letter-of-credit rights
§ 3:81	General intangibles
§ 3:82	—Payment intangibles, software, and controllable electronic records
§ 3:83	—Controllable payment intangibles
§ 3:84	—Perfecting a security interest
§ 3:85	—Distinction from investment property
§ 3:86	Deposit accounts
§ 3:87	—Distinction from negotiable certificates of deposit
§ 3:88	—Perfecting a security interest
§ 3:89	Money
§ 3:90	Investment property
§ 3:91	—Definition of a security.
§ 3:92	—Examples of securities
§ 3:93	—Certificated and uncertificated securities
§ 3:94	—Security entitlements and securities accounts.
§ 3:95	—Interests in juridical persons other than corporations
§ 3:96	—Controllable electronic records, controllable accounts, and controllable payment intangibles
§ 3:97	—Perfecting a security interest
§ 3:98	—Commodity contracts

§ 3:99 —Collateral mortgage notes

IV. OTHER DEFINITIONS USED IN LOUISIANA UCC CHAPTER 9

§ 3:100 Incorporation of other definitions

§ 3:101 Non-uniform Louisiana definitions

CHAPTER 4. ATTACHMENT AND SECURITY AGREEMENTS

I. ATTACHMENT

- § 4:1 Definition of attachment
- § 4:2 Requirements for attachment
- § 4:3 —Importance of attachment
- § 4:4 —What is meant by giving value
- § 4:5 —Life insurance policies
- § 4:6 Scope of attachment—Proceeds
- § 4:7 —Supporting obligations
- § 4:8 —Accessions and commingled goods
- § 4:9 —Investment property.
- § 4:10 Informational requests by debtor
- § 4:11 —Penalties for failure to respond

II. SECURITY AGREEMENTS

- § 4:12 Signed security agreement requirement
- § 4:13 —Notarization
- § 4:14 —Exceptions
- § 4:15 — —Relinquishment of control
- § 4:16 — —Purchase or delivery of financial asset
- § 4:17 — —Security interests of a collecting bank and an
issuing bank
- § 4:18 Content of security agreements
- § 4:19 —Timber to be cut
- § 4:20 Grant of security interest language
- § 4:21 —Assignment
- § 4:22 Types of secured indebtedness
- § 4:23 —Cross-collateralization
- § 4:24 — —Contractual exceptions to cross-collateralization—
Regulation U margin stock
- § 4:25 — — —Right of rescission
- § 4:26 — — —Home equity lines of credit
- § 4:27 —Reference to debtor's original promissory note

TABLE OF CONTENTS

- § 4:28 Description of collateral
- § 4:29 —Titled motor vehicles, vessels and outboard motors.
- § 4:30 —Reference to extraneous documents
- § 4:31 —Use of generic descriptions
- § 4:32 — —Exceptions
- § 4:33 — —Description of investment property
- § 4:34 —Consistent description in UCC filings
- § 4:35 — —Trailer collateral
- § 4:36 — — —Examples of trailer collateral
- § 4:37 —After-acquired property
- § 4:38 — —Proceeds

III. OTHER PROVISIONS INCLUDED IN SECURITY AGREEMENTS

- § 4:39 Representations and covenants
- § 4:40 Default remedies

IV. AUTHENTICATING AND AMENDING SECURITY AGREEMENTS

- § 4:41 Debtor must sign
- § 4:42 Encumbrance of community property
- § 4:43 —Equal management
- § 4:44 —When both spouses must concur
- § 4:45 — —Spousal intervention language
- § 4:46 —When a spouse has the exclusive right to encumber
- § 4:47 —Rules in other states
- § 4:48 When to execute a new or amended security
agreement
- § 4:49 —Additional loans secured by cross-collateralization
clause
- § 4:50 Summary of considerations in drafting security
agreements.

V. NEW DEBTORS AND TRANSFEREES

- § 4:51 Definition of a New Debtor
- § 4:52 Liability of a New Debtor
- § 4:53 Transferees of Collateral

CHAPTER 5. PERFECTION OF SECURITY INTERESTS

I. NATURE OF PERFECTION

- § 5:1 Effect of perfection

- § 5:2 Attachment as a condition precedent to perfection
- § 5:3 Methods of perfection
- § 5:4 —Choice of perfection methods
- § 5:5 — —Available methods
- § 5:6 — —Preference for certain methods
- § 5:7 — —Perfection by different methods

II. FILING PERFECTION

- § 5:8 Treatment in other chapters

III. POSSESSION PERFECTION

- § 5:9 Possession as a method of perfection
- § 5:10 Actual delivery required
- § 5:11 —Delivery defined for certain collateral
- § 5:12 —Collateral in hands of agent or bailee—Who may be an agent or bailee
- § 5:13 — —Timing of acknowledgment
- § 5:14 — —Mere notice insufficient
- § 5:15 — —No obligations of third person
- § 5:16 — —Multiple security interests
- § 5:17 —Secured party must retain possession of collateral
- § 5:18 — —Limited exception for returned documents and goods
- § 5:19 — —Limited exception for returned instruments and certificated securities
- § 5:20 — — —Collateral mortgage notes.
- § 5:21 Security interests that cannot be perfected by possession—Categories of collateral
- § 5:22 —Collateral subject to a certificate of title
- § 5:23 Duties of a secured party in possession
- § 5:24 —Duty of reasonable care
- § 5:25 —Duty not to commingle
- § 5:26 —Duty to preserve rights against prior parties
- § 5:27 Rights of a secured party having possession or control
- § 5:28 —Right to reimbursement of reasonable expenses
- § 5:29 —Right to use and operate collateral
- § 5:30 —Right to proceeds
- § 5:31 —Repledge of collateral
- § 5:32 —Rights with respect to possessory collateral following default

IV. AUTOMATIC PERFECTION

- § 5:33 Nature of automatic perfection

TABLE OF CONTENTS

- § 5:34 Purchase-money security interests in consumer goods
- § 5:35 —Definitions of purchase-money security interest and consumer goods
- § 5:36 —Exclusions
- § 5:37 —Automatic perfection rule limited to consumer goods
- § 5:38 —Tracing of funds
- § 5:39 —Cross-collateralization
- § 5:40 —Priority of rights of consumer buyer
- § 5:41 —Non-cash proceeds
- § 5:42 Temporary perfection rule for instruments, negotiable documents, and certificated securities
- § 5:43 —Collateral mortgage notes
- § 5:44 —Inherent risks
- § 5:45 Automatic perfection of security interests arising from purchase or delivery of financial assets
- § 5:46 Automatic perfection of security interests of a collecting bank and an issuing bank
- § 5:47 Automatic perfection of certain sales and assignments
- § 5:48 —Health-care-insurance receivables
- § 5:49 Automatic perfection rule for proceeds of collateral
- § 5:50 —Proceeds defined
- § 5:51 —Cash proceeds
- § 5:52 —Temporary perfection for non-cash proceeds
- § 5:53 —Intervening cash proceeds
- § 5:54 Automatic perfection of security interests in supporting obligations
- § 5:55 Automatic perfection of lien of an agricultural laborer upon crops

V. CONTROL PERFECTION

- § 5:56 Control as a method of perfection
- § 5:57 Control obtained through another person
- § 5:58 Control agreements
- § 5:59 Relinquishment of control

VI. PERFECTION RULES APPLICABLE TO PARTICULAR TYPES OF COLLATERAL

- § 5:60 Chattel paper
- § 5:61 —Obtaining possession of tangible copies
- § 5:62 —Obtaining control of electronic copies
- § 5:63 — —Single authoritative copy
- § 5:64 — —One or more authoritative copies
- § 5:65 — — —Exclusive power
- § 5:66 — — —Control through another person

- § 5:67 Controllable accounts and controllable payment
intangibles
- § 5:68 Controllable electronic records
- § 5:69 —Obtaining control through another person
- § 5:70 Deposit accounts—Perfection by control
- § 5:71 —Types of deposit accounts
- § 5:72 —Distinction from negotiable certificates of deposit
- § 5:73 —Rights of depository bank
- § 5:74 —Choice of law considerations
- § 5:75 Documents
- § 5:76 —Negotiable documents
- § 5:77 — —Electronic documents
- § 5:78 — — —Obtaining control of electronic copies
- § 5:79 — — —Exclusive power
- § 5:80 — — —Control through another person
- § 5:81 —Negotiable Documents—Alternative method of
perfecting in goods
- § 5:82 — — —Priority
- § 5:83 —Nonnegotiable documents—Alternative methods of
perfecting in goods
- § 5:84 Estates
- § 5:85 —Description requirements
- § 5:86 —Ability of successor to encumber his rights in an
estate
- § 5:87 —Choice of law considerations
- § 5:88 Investment property
- § 5:89 —Certificated securities
- § 5:90 — —Perfection by delivery
- § 5:91 — —Perfection by control
- § 5:92 — —Temporary automatic perfection
- § 5:93 —Uncertificated securities
- § 5:94 — —Perfection by control achieved through delivery
- § 5:95 — —Perfection by control achieved through a control
agreement
- § 5:96 —Securities accounts and security entitlements
- § 5:97 — —Perfection by control
- § 5:98 — —Summary of perfection methods
- § 5:99 — —Nonconforming financial assets held in securities
accounts
- § 5:100 —Control agreements
- § 5:101 Judgments
- § 5:102 —Choice of law considerations
- § 5:103 Letter-of-credit rights
- § 5:104 Life insurance policies
- § 5:105 —Consent of beneficiary

TABLE OF CONTENTS

- § 5:106 —Choice of law considerations
- § 5:107 Tort claims
- § 5:108 —Distinction from general intangibles
- § 5:109 —Choice of law considerations
- § 5:110 Trust interests
- § 5:111 —Description requirements
- § 5:112 —Signing requirements
- § 5:113 —Relationship to Louisiana Trust Code
- § 5:114 —Choice of law considerations

VII. LAW GOVERNING PERFECTION

- § 5:115 Choice of law in multi-state transactions

CHAPTER 6. FILING PERFECTION

I. OVERVIEW OF FILING AS A MEANS OF PERFECTION

- § 6:1 Introduction to filing perfection
- § 6:2 —When filing is not available
- § 6:3 —Identity of person making a filing
- § 6:4 —Priority from date of filing
- § 6:5 —Authorization to file
- § 6:6 —Five-year effective period
- § 6:7 — —Exceptions
- § 6:8 —Multiple financing statements covering the same collateral
- § 6:9 —Effectiveness of filed financing statement when no indebtedness is outstanding

II. WHAT, WHERE, AND WHEN TO FILE

- § 6:10 What to file—UCC-1 financing statement
- § 6:11 — —Signatures
- § 6:12 — —Standard forms
- § 6:13 — —Real estate-related filings
- § 6:14 — —Collateral description
- § 6:15 — — —Titled vehicles, vessels, and outboard motors
- § 6:16 — —Name of debtor
- § 6:17 — — —Registered organizations
- § 6:18 — — —Trusts
- § 6:19 — — —Estate under administration
- § 6:20 — — —Individual debtor having a current Louisiana driver's license
- § 6:21 — — —Individual debtor not having a current Louisiana driver's license

LOUISIANA SECURED TRANSACTIONS

- § 6:22 — — — Individual debtor—Multi-state considerations
- § 6:23 — — — Other types of debtors
- § 6:24 — — — Name that is seriously misleading
- § 6:25 — — Name of secured party
- § 6:26 — — Use of terms other than debtor and secured party
- § 6:27 — Agricultural filings
- § 6:28 — — Multi-state considerations
- § 6:29 Where to file
- § 6:30 — In general
- § 6:31 — Parish in which to file
- § 6:32 — Fixtures and As-Extracted Collateral
- § 6:33 — Parish numbering convention
- § 6:34 — Titled motor vehicles
- § 6:35 — — Definition
- § 6:36 — — Blanket equipment security interests
- § 6:37 — — Manufactured homes
- § 6:38 — Titled vessels and titled outboard motors
- § 6:39 — Boat, motor, and trailer loans
- § 6:40 — Farm products and standing timber
- § 6:41 When to file
- § 6:42 — Fixture filings

III. AMENDING, ASSIGNING, CONTINUING, AND TERMINATING UCC-1 FINANCING STATEMENTS

- § 6:43 Amendment—How to amend
- § 6:44 — Where to file
- § 6:45 — When effective
- § 6:46 — When required—Financing statement becomes
seriously misleading
- § 6:47 — — Transfer to new debtor in same jurisdiction
- § 6:48 — — Correction of errors
- § 6:49 — When not required—Additional collateral of the
same type
- § 6:50 — — Non-cash proceeds for which filing could be made
in same filing office
- § 6:51 — — Collateral moved from place to place
- § 6:52 — Change in the secured party's name or address
- § 6:53 — Partial releases and restatements of collateral
- § 6:54 — Master amendments
- § 6:55 Assignment
- § 6:56 — Automatic transfer of security
- § 6:57 — Filing of UCC-3 Amendment
- § 6:58 — When filing required

TABLE OF CONTENTS

- § 6:59 —Inclusion on initial financing statement
- § 6:60 —Master assignments
- § 6:61 —“Bare” or “naked” assignments
- § 6:62 Continuation
- § 6:63 —Where to file
- § 6:64 —Computation of five-year period of effectiveness
- § 6:65 —Effect of timely continuation statement
- § 6:66 —Effect of lapse
- § 6:67 —Reperfection
- § 6:68 —Titled motor vehicles
- § 6:69 Termination
- § 6:70 —Where to file
- § 6:71 —Prepayment of filing fee
- § 6:72 —When required—Consumer goods
- § 6:73 — — —Titled vehicles, vessels, and outboard motors
- § 6:74 — — —Collateral other than consumer goods
- § 6:75 —Penalty for failure to terminate
- § 6:76 —Practical suggestions
- § 6:77 —When termination by debtor permitted
- § 6:78 —Inaccurate or wrongfully filed records

IV. WHAT CONSTITUTES FILING

- § 6:79 Approach of UCC Article 9
- § 6:80 Approach of Louisiana UCC Chapter 9
- § 6:81 Approach of Louisiana UCC Chapter 9—Rejection by filing office
- § 6:82 —Failure of filing office to reject
- § 6:83 —Transmission and indexing errors

V. UCC SEARCHES

- § 6:84 Nature of a UCC search
- § 6:85 Requesting a UCC search
- § 6:86 —Names to be searched
- § 6:87 — —Prior names
- § 6:88 — —Mergers
- § 6:89 — —Previous owners of the collateral
- § 6:90 —Where to search
- § 6:91 — —Change in governing law
- § 6:92 —Summary of factors to consider
- § 6:93 —When to search

VI. PROBLEMS ARISING FROM HIDDEN LIENS AND SECURITY INTERESTS

- § 6:94 Hidden liens and security interests

- § 6:95 —Possessory security interests
- § 6:96 —Security interests perfected by control
- § 6:97 —Purchase money security interests in consumer goods
- § 6:98 —Statutory security interests
- § 6:99 —Agricultural liens
- § 6:100 —Non-agricultural liens
- § 6:101 — —Possessory liens
- § 6:102 — —Oil, gas and water well privileges
- § 6:103 — —Other statutory liens
- § 6:104 —Security interests granted by previous owners of collateral
- § 6:105 —Result of change in governing law
- § 6:106 —Improperly indexed UCC filings
- § 6:107 —Administrative delays

CHAPTER 7. LAW GOVERNING PERFECTION AND PRIORITY

I. OVERVIEW

- § 7:1 Importance of choice of law
- § 7:2 Meaning of local law
- § 7:3 Contractual freedom

II. LAW GOVERNING PERFECTION

- § 7:4 Basic rule—Location of debtor
- § 7:5 — —Individual
- § 7:6 — —Registered organization organized under the law of a State
- § 7:7 — —Registered organization organized under the laws of the United States
- § 7:8 — —Registered organizations—Change in status
- § 7:9 — —Foreign banks
- § 7:10 — —Foreign air carriers
- § 7:11 — —Other organizations
- § 7:12 Possessory security interests
- § 7:13 Real-estate-related collateral—Fixtures and standing timber
- § 7:14 —As-extracted collateral
- § 7:15 —Growing crops and other farm products
- § 7:16 —Collateral mortgage notes
- § 7:17 Goods covered by a certificate of title
- § 7:18 —Successive certificates of title

TABLE OF CONTENTS

- § 7:19 —Inventory
- § 7:20 —Inventory held by debtor engaged in the business of leasing goods
- § 7:21 Investment property
- § 7:22 Deposit accounts
- § 7:23 Letter-of-credit rights
- § 7:24 Chattel paper
- § 7:25 —Perfection achieved by filing
- § 7:26 —Authoritative tangible copy only
- § 7:27 —Authoritative electronic copy
- § 7:28 —Chattel paper’s jurisdiction
- § 7:29 Controllable electronic records; controllable accounts and controllable payment intangibles—Perfection by filing and automatic perfection
- § 7:30 —Perfection by control
- § 7:31 —Controllable electronic record’s jurisdiction

III. CHANGE IN GOVERNING LAW

- § 7:32 Change in governing law—General rules
- § 7:33 —Cessation of perfection in original jurisdiction
- § 7:34 —Perfection by filing—Existing Collateral
- § 7:35 — —Existing collateral—What to file
- § 7:36 — — —Effect of failure of timely reperfecting in new jurisdiction
- § 7:37 — — —Irrelevance of relocation of collateral
- § 7:38 —After-acquired collateral
- § 7:39 — —Change in debtor’s location
- § 7:40 — —New debtor in different jurisdiction
- § 7:41 —Goods covered by a certificate of title
- § 7:42 —Deposit accounts, letter-of-credit rights, investment property, chattel paper, controllable accounts, controllable electronic records, and controllable payment intangibles
- § 7:43 —Lack of knowledge immaterial
- § 7:44 —Agricultural liens

IV. LAW GOVERNING PRIORITY

- § 7:45 Basic rule
- § 7:46 Tangible collateral
- § 7:47 Fixtures and standing timber
- § 7:48 Investment property
- § 7:49 Chattel paper; controllable electronic records; controllable accounts and controllable payment intangibles

CHAPTER 8. PRIORITY RULES UNDER CHAPTER 9

I. OVERVIEW

- § 8:1 Classes of competing interests
- § 8:2 Meaning of priority
- § 8:3 Factors determining priority
- § 8:4 Agreements altering priority

II. PRIORITY AMONG CONFLICTING SECURITY INTERESTS AND AGRICULTURAL LIENS

- § 8:5 First-to-file-or-perfect rule
- § 8:6 —Time of filing as to proceeds and supporting obligations
- § 8:7 —Future advances
- § 8:8 —Temporary or Automatic Perfection
- § 8:9 —Lien creditors, buyers, and lessees
- § 8:10 Conflicting perfected security interests—Purchase-money security interest
- § 8:11 —Definition
- § 8:12 —Cross-collateralization
- § 8:13 —Goods other than inventory and livestock
- § 8:14 —Inventory
- § 8:15 —Practical advice for the inventory financier
- § 8:16 —Proceeds of inventory
- § 8:17 —Consignments
- § 8:18 —Definition
- § 8:19 —Consignee deemed to have rights of consignor
- § 8:20 —Farm products consisting of livestock
- § 8:21 —Software
- § 8:22 —Multiple purchase-money security interests
- § 8:23 —Deposit accounts
- § 8:24 —Depository bank
- § 8:25 —Secured parties other than depository bank
- § 8:26 —Transferee of funds from a deposit account
- § 8:27 —Life insurance policies
- § 8:28 —Investment property
- § 8:29 —Control
- § 8:30 —Multiple secured parties having control
- § 8:31 —Possession of certificated security
- § 8:32 —Letter-of-credit rights
- § 8:33 —Goods covered by a certificate of title
- § 8:34 —Accessions

TABLE OF CONTENTS

- § 8:35 —Crops
- § 8:36 —Controllable accounts, controllable electronic records and controllable payment intangibles
- § 8:37 —Chattel paper, instruments, documents, and goods represented by a negotiable document
- § 8:38 —Priority as to proceeds
- § 8:39 — —Special first-to-file rule for proceeds of non-filing collateral
- § 8:40 —Transferred collateral
- § 8:41 —New debtors
- § 8:42 — —Collateral acquired by transfer from original debtor
- § 8:43 — —Collateral acquired other than by transfer from original debtor
- § 8:44 — — —Multiple secured parties of original debtor
- § 8:45 — — —Multiple original debtors
- § 8:46 Unperfected security interests and agricultural liens

III. PRIORITY AGAINST PURCHASERS

- § 8:47 Types of purchasers
- § 8:48 Purchasers of chattel paper
- § 8:49 —Competing security interest claimed merely as proceeds of inventory
- § 8:50 —Competing security interest not claimed merely as proceeds of inventory
- § 8:51 —Priority as to proceeds of chattel paper
- § 8:52 Purchasers of instruments
- § 8:53 Purchasers of controllable accounts, controllable electronic records, controllable payment intangibles, documents, instruments and securities under other chapters
- § 8:54 Buyers
- § 8:55 —Sale subject to a perfected security interest
- § 8:56 — —Chattel paper
- § 8:57 — —Controllable accounts and controllable payment intangibles
- § 8:58 — —Electronic documents
- § 8:59 — —Controllable electronic records
- § 8:60 —Sale subject to a purchase-money security interest
- § 8:61 —Secured party's right to proceeds
- § 8:62 —Rights and obligations arising from a purchase subject to a security interest.
- § 8:63 —Effect of transfer on filing perfection.
- § 8:64 —Limitation on additional advances
- § 8:65 —Buyer-in-the-ordinary-course-of-business rule

- § 8:66 — —Commercial buyers
- § 8:67 — —Security interests not created by immediate seller
- § 8:68 — —Bulk sales
- § 8:69 — —Sales of farm products
- § 8:70 — —Consumer buyer of consumer goods
- § 8:71 — —Goods covered by a certificate of title
- § 8:72 — —True sales of accounts and chattel paper
- § 8:73 — —True sales of payment intangibles and promissory notes
- § 8:74 — —Consigned goods
- § 8:75 Lessees
- § 8:76 — —Lease subject to a perfected security interest
- § 8:77 — —Lease subject to a purchase-money security interest
- § 8:78 — —Limitation on additional advances
- § 8:79 — —Lessees in the ordinary course of business
- § 8:80 Licensees of general intangibles

IV. PRIORITY AGAINST LIEN CREDITORS AND LIENHOLDERS

- § 8:81 Lien creditors
- § 8:82 — —Priority over later arising security interest
- § 8:83 — —Ranking against a purchase-money security interest
- § 8:84 — —Limitation on additional advances
- § 8:85 — —Application of priority rules to hypothetical lien creditor
- § 8:86 Statutory liens and privileges—Federal tax liens
- § 8:87 — —Commercial transactions financing agreements
- § 8:88 — — —45-day future advance rule
- § 8:89 — — —45-day after-acquired property rule
- § 8:90 — — —Need to search every 45 days
- § 8:91 — —Federal restitution orders and fines
- § 8:92 — —Louisiana tax liens
- § 8:93 — —Non-agricultural liens
- § 8:94 — —Possessory liens
- § 8:95 — — —Artisan’s and repairman’s privileges
- § 8:96 — — —Privileges for preservation, storage, and transportation
- § 8:97 — —Non-possessory liens
- § 8:98 — — —Vendor’s privileges
- § 8:99 — — —Seller’s right to dissolve
- § 8:100 — — —Lessor’s privileges

V. PRIORITY AGAINST REAL PROPERTY-RELATED INTERESTS

- § 8:101 Oil, gas and water well privileges

TABLE OF CONTENTS

§ 8:102	Private Works Act privileges
§ 8:103	Fixtures
§ 8:104	—First-to-file-or-record rule
§ 8:105	—Purchase-money security interests
§ 8:106	— —Construction mortgages
§ 8:107	—Readily removable equipment
§ 8:108	—Liens on real property obtained through legal proceedings
§ 8:109	—Priority based on consent, disclaimer, or right to remove
§ 8:110	Manufactured homes
§ 8:111	Crops—Priority of security interests against real property interests
§ 8:112	—Priority of agricultural liens against real property interests

VI. SUBORDINATION BY AGREEMENT

§ 8:113	Subordination
§ 8:114	—Subordination and intercreditor agreements
§ 8:115	— —Form
§ 8:116	— —Filing
§ 8:117	—Effect of subordination
§ 8:118	—Refusal of other creditor to subordinate

CHAPTER 9. RIGHTS AND DUTIES OF THIRD PERSONS OBLIGATED ON COLLATERAL

I. ALIENABILITY

§ 9:1	General rule
§ 9:2	Conflict of law considerations
§ 9:3	Transfer of collateral in violation of security agreement
§ 9:4	Secured party not obligated on underlying contract
§ 9:5	Alienability of accounts, chattel paper, payment intangibles, and promissory notes—Contractual restrictions
§ 9:6	— —Meaning of an assignment
§ 9:7	— —Coordination with other Louisiana law
§ 9:8	— —Exceptions to invalidation rule.
§ 9:9	— —Outright sales of payment intangibles and promissory notes.
§ 9:10	—Legal restrictions
§ 9:11	— —Exceptions to general rule.

- § 9:12 — —Payment intangibles and promissory notes.
- § 9:13 Alienability of health-care-insurance receivables and
general intangibles—Contractual restrictions
- § 9:14 —Legal restrictions
- § 9:15 —Exceptions to general rules.
- § 9:16 —Limited liability company and partnership interests
- § 9:17 —Protection of account debtors and obligors of
promissory notes
- § 9:18 Alienability of leases of goods
- § 9:19 Alienability of letter-of-credit rights
- § 9:20 Alienability of beneficial interest in a trust
- § 9:21 Security interests in judgments

II. DIRECT PAYMENT OBLIGATIONS OF ACCOUNT DEBTOR

- § 9:22 Direct payment instructions to account debtor
- § 9:23 Account debtor's request for proof of assignment
- § 9:24 Ineffective notification
- § 9:25 Where notification must be sent
- § 9:26 Release of notification
- § 9:27 Controllable accounts and controllable payment
intangibles
- § 9:28 —Payment before notification
- § 9:29 —Payment after notification
- § 9:30 —Notification ineffective
- § 9:31 —Reasonable proof of transfer of control
- § 9:32 —Consumer account debtors
- § 9:33 Governmental account debtors
- § 9:34 Tort claims

III. CLAIMS AND DEFENSES OF ACCOUNT DEBTOR

- § 9:35 Agreement not to assert claims or defenses
- § 9:36 —Agreements made after the fact
- § 9:37 —Agreements between account debtor and assignee
- § 9:38 —Agreements made to benefit the assignor
- § 9:39 —Consumer debtors
- § 9:40 —Instruments
- § 9:41 Assertion of claims and defenses by account debtor
- § 9:42 —Application
- § 9:43 —Comparison to Civil Code rules
- § 9:44 —Consumer account debtors
- § 9:45 —Litigious redemption

TABLE OF CONTENTS

§ 9:46 —Modification of an assigned contract

CHAPTER 10. DEFAULT REMEDIES

I. EVENTS OF DEFAULT

§ 10:1 Definition of default

§ 10:2 Contractual events of default—Examples of events of default

§ 10:3 —Insecurity clauses

§ 10:4 Time of default for agricultural lien

II. REMEDIES FOLLOWING DEFAULT

§ 10:5 Contractual default remedies

§ 10:6 Default remedies under the Louisiana UCC

§ 10:7 —Collateral consisting of documents

§ 10:8 —Secured party with possession or control of collateral

§ 10:9 —Security agreement covering both real and personal property

§ 10:10 Waiver and variance of rights and duties

§ 10:11 —Use and operation of consumer goods

§ 10:12 —Debtor's informational requests

§ 10:13 —Specific provisions of Part 6

§ 10:14 —Agreement on standards concerning rights and duties

**III. JUDICIAL REMEDIES UNDER LOUISIANA
UCC CHAPTER 9**

§ 10:15 Judicial foreclosure

§ 10:16 —Ordinary process

§ 10:17 — —Continuation of security interest after judgment

§ 10:18 —Executory process

§ 10:19 — —Requirements for use

§ 10:20 —Judicial sale

§ 10:21 —Authentic evidence

§ 10:22 —Signatures presumed genuine

§ 10:23 —Authority and capacity presumed

§ 10:24 —Proof of amount and terms of secured obligations and existence of default

§ 10:25 —Basis of supporting affidavits

§ 10:26 —Applicability of La UCC § 9-629

§ 10:27 —Identification of collateral to be seized.

§ 10:28 —Appraisal

- § 10:29 —Inferior encumbrances
- § 10:30 —Remedies against fixtures
- § 10:31 —Right of redemption
- § 10:32 —Deficiency Judgment Act

IV. NON-JUDICIAL REMEDIES UNDER LOUISIANA UCC CHAPTER 9

- § 10:33 Remedies under Part 6 of Louisiana UCC Chapter 9
- § 10:34 Collection and enforcement rights of secured parties
- § 10:35 —Requirement of commercial reasonableness
- § 10:36 —Expenses of collection and enforcement
- § 10:37 —Summary proceedings to require delivery of documentation
- § 10:38 —Nonjudicial enforcement of mortgages
- § 10:39 —Collection rights of inferior secured parties
- § 10:40 —Deposit accounts
- § 10:41 —Application of cash proceeds
- § 10:42 —Application of non-cash proceeds
- § 10:43 —Release of account debtors
- § 10:44 Self-help repossession
- § 10:45 —Conflict of law considerations
- § 10:46 —Motor vehicles
- § 10:47 — —Creditors entitled to use
- § 10:48 — —Licenses required
- § 10:49 — —Definition of “default”
- § 10:50 — —Notice required before repossession
- § 10:51 — —Breach of the peace
- § 10:52 — —Notice of repossession
- § 10:53 — —Dispositions permitted
- § 10:54 — —Deficiency judgment
- § 10:55 — —Personal property inside repossessed collateral
- § 10:56 Disposition of collateral after default
- § 10:57 —Commercially reasonable requirement
- § 10:58 — —Standards for determination
- § 10:59 —Implied warranties
- § 10:60 — —Disclaimer
- § 10:61 —Notification
- § 10:62 — —Third persons to be notified
- § 10:63 — —Timeliness of notification
- § 10:64 — —Content of notification
- § 10:65 — —Content of notification in a consumer-goods transaction
- § 10:66 — —When not required
- § 10:67 — —Failure to give required notice

TABLE OF CONTENTS

§ 10:68	—Proceeds of disposition
§ 10:69	—Application of non-cash proceeds
§ 10:70	—Effect of disposition
§ 10:71	—Rights of transferee
§ 10:72	—Transfer statement
§ 10:73	—Junior secured party's receipt of proceeds
§ 10:74	—Liability for deficiency and entitlement to surplus
§ 10:75	— —Disposition in favor of a related party
§ 10:76	— —Explanation of calculation in consumer-goods transactions
§ 10:77	— —Burden of proof
§ 10:78	Strict foreclosure
§ 10:79	—Advantages of strict foreclosure
§ 10:80	—No waiver or variation by agreement
§ 10:81	—Notice to debtor of proposal
§ 10:82	—Debtor's consent
§ 10:83	— —Consumer goods
§ 10:84	—Notice to third persons of proposal
§ 10:85	—Objections by third persons to proposal
§ 10:86	—Conditions to consummation
§ 10:87	—Secured party's consent required
§ 10:88	—Mandatory disposition of or judicial foreclosure upon consumer goods
§ 10:89	—Partial satisfaction of secured obligation in consumer transactions
§ 10:90	—Effect of strict foreclosure
§ 10:91	—Cross-collateralization provisions
§ 10:92	Right of redemption

V. NONCOMPLIANCE WITH Louisiana UCC Chapter 9

§ 10:93	Remedies for noncompliance
§ 10:94	—Injunctive relief
§ 10:95	—Actual damages
§ 10:96	— —Persons to whom duties owed
§ 10:97	— — —Controllable electronic records, controllable accounts or controllable payment intangibles
§ 10:98	— —Effect of elimination or reduction of deficiency
§ 10:99	—Statutory damages
§ 10:100	—Exculpation

APPENDICES

Appendix 1. Glossary

LOUISIANA SECURED TRANSACTIONS

Appendix 2. Louisiana Revised Statutes: UCC Articles 1, 8, 9
and 12

Appendix 3. Formulary

Appendix 4. Checklists

Table of Laws and Rules

Index