

Government of the District of Columbia

UNIFORM LAW COMMISSION



January 9, 2025

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
The John A. Wilson Building,
1350 Pennsylvania Avenue, NW
Washington, DC 20004

RE: Request for introduction of the Uniform Commercial Code Financing Statement Forms Amendment Act of 2025.

Dear Chairman Mendelson:

Pursuant to Rule 401(b)(1) of the Rules of Organization and Procedure for the Council, this is to request, on behalf of the District of Columbia Uniform Law Commission, that you introduce the proposed “Uniform Commercial Code Financing Statement Forms Amendment Act of 2025.”

This bill would make a discrete amendment to Section 9-521 of the Uniform Commercial Code, D.C. Code § 28:9-521, to address a problem caused by inconsistencies between the statutory form for financing statements for secured transactions under Article 9 and the forms used by the International Association of Commercial Administrators (IACA). IACA has revised its forms. The Recorder of Deeds, like other filing offices throughout the country, accept IACA’s forms and have stopped accepting the statutory form. The problem is that, if a debtor files the statutory form and pays the required fee, the debtor’s interest is still perfected even though the financing statement has been rejected by the filing office. This creates a hidden, but perfected security interest, which creates uncertainty and potentially could subject the District to liability for not accepting the filing. To solve this problem, other states have amended their version of U.C.C. Section 9-521 to provide that the filing office may not refuse to accept a filing on a form approved by IACA or a form adopted by rule or regulation. This bill follows this approach. It has been reviewed and approved by the Recorder of Deeds.

A proposed “Uniform Commercial Code Financing Statement Forms Amendment Act of 2025” is being filed with this letter.

I would be pleased to answer any questions and to provide any additional information requested.

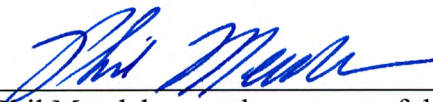
Sincerely,

A handwritten signature in blue ink that reads "James C. McKay, Jr." The signature is written in a cursive style with a large initial 'J'.

James C. McKay, Jr.
Chair
D.C. Uniform Law Commission

cc: Uniform Law Commissioners

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Chairman Phil Mendelson at the request of the
District of Columbia Uniform Law Commission

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Uniform Commercial Code to provide that the Recorder of Deeds may not refuse to accept a written initial financing statement in the form provided by the International Association of Commercial Administrators or in a form adopted by the Chief Financial Officer by rule.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Uniform Commercial Code Financing Statement Forms Amendment Act of 2025”.

Sec. 2. Subtitle I of Title 28 of the D.C. Official Code is amended as follows:

(a) D.C. Official Code § 28:9-521 is amended to read as follows:

“§ 28:9-521. Uniform form of written financing statement and amendment.

“Except for a reason set forth in § 28:9-516(b), a filing office that accepts written records may not refuse to accept a written record for a filing authorized by this chapter if the record conforms to a format that is:

“(1) Currently approved by the International Association of Commercial Administrators;

or

“(2) Adopted by rule by the Chief Financial Officer pursuant to § 28:9-526.”

(b) D.C. Official Code § 28:9-526 is amended by striking the word “Mayor” wherever it appears and inserting the phrase “Chief Financial Officer” in its place.

33 Sec. 3. Fiscal impact statement.

34 The Council adopts the attached fiscal impact statement as the fiscal impact statement
35 required by section 602(c)(3) of the District of Columbia Home Rule Act, approved
36 December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

37 Sec. 4. Effective date.

38 This act shall take effect following approval by the Mayor (or in the event of veto by
39 the Mayor, action by the Council to override the veto), a 30-day period of Congressional
40 review as provided in section 602(c)(1) of the District of Columbia Home Rule Act,
41 approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and
42 publication in the District of Columbia Register.