



OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Frequently Asked Questions

Filing UCC for Owners of Section 202 and Section 811 Properties

Q1. What is the UCC?

Answer: The Uniform Commercial Code, or UCC, is collection of legal rules regarding many important commercial activities. The UCC is intended to make commercial law uniform between jurisdictions, as well as simpler and clearer. In the case of HUD-insured or -assisted properties, the UCC is a statutory model of regulations that govern the law of secure financing.

For purposes of owners of Section 202 and/or Section 811 properties, which must be private nonprofit organizations or nonprofit consumer cooperatives, the UCC is a very short form that is filed with the state upon purchase of the property during closing. A valid UCC must be on file with the state in which the ownership entity is located.

Q2. What type of information is included in the UCC?

Answer: The information included is as follows:

- *Debtor's name*
- *Secure Party (the HUD Field Office that has jurisdiction over the property)*
- *Collateral described in your original UCC*
- *Legal description of the real estate (included in the collateral section). Note: this box is not listed on UCC forms for all states.*
- *Real estate – leave blank, unless it's a fixture filing.*
- *Optional Reference number – the property's FHA number*

Q3. Who must file a UCC statement?

Answer: Typically, lenders file UCC Financial Statements to record their interest in collateral. However, for Section 202 and 811 properties, HUD requires that the owners file a UCC on HUD's behalf. You may have your Title Company file the UCC.



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Q4. What are the types of UCC filings? What are the differences between them?

Answer: The UCC-1 is a Financing Statement that is completed and filed during closing. The UCC-1 remains valid for a period of five years from the date of filing.

The UCC-3 is an Amendment or a Continuation Statement that the owner files to renew the UCC-1 filing for another five-year period. Unless a continuation statement is properly filed before the expiration of the UCC-1's five-year period, the financial statement will lapse and then the owner must file a new UCC-1.

The UCC-5 is an Information Statement to be used if the UCC-1 is inaccurate, wrongfully filed, or filed by a person not entitled to do so.

Fixture filing (also called county filings) are required when articles found on real estate are of such a nature that they are considered attached and are made part of that real estate. Fixture filings are submitted by filing UCC-1 or UCC-3 in the county where the property is located.

Q5. Where does the UCC get filed?

Answer: The UCC is filed at the state and county level.

The UCC is filed in the state in which the property is located. Each state's website provides a copy of the UCC forms and filing information.

HUD also takes a security interest in fixtures for Section 202 and 811 properties. What this means is that in addition to the state filing, a UCC-1 Financing Statement or UCC-3 Continuation Statement must be filed with the recording office (i.e. local courthouse or Deed Office) in the county where the property is located.

Copies must be emailed to HUD. Please ensure the subject line of the email contains the Property name, Loan Number, IREMS Number, and the city and state where the property is located. The copies can be emailed to: UCCsubmissions@hud.gov.

Q6. Where can I find my state's UCC forms and filing information?

Answer: To determine where to file the UCC-1, UCC-3, or UCC-5 with the appropriate state, Google "File [insert State name] Uniform Commercial Code" to find your state's UCC forms and filing information. The HUD Exchange also provides links to each state's webpage with UCC filing information.

To determine where to file fixture filings at the county level, Google "File [insert county name] [state] land records office."



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Q7. What happens if I can't find the collateral description for my property?

Answer: The collateral descriptions are part of Security Agreement that was signed at closing and should be in your closing documents. If you cannot find that description, contact your account executive and s/he will locate it for you in HUD's files.

Q8. What should I check for collateral type, or financial type, alternative designation?

Answer: Leave blank any boxes that ask how the collateral is held, the finance type, or allowing for alternative designation.

Q9. What happens if I don't file a UCC?

Answer: Failure to file your UCC within 60 days of receiving the notification letter from HUD may result in a 2530 flag, HUD's withholding of Reserve for Replacement disbursements, and under extreme circumstances, referral to the Department Enforcement Center for additional action.

Q10. Are there written resources to assist me in completing the UCC forms?

Answer: Instructions for completing the UCC-1 and UCC-3 are available on each state's website.

Additional instructions will be found at a later date on the Section 811, Section 202, and UCC webpages of the [HUD Exchange](#).

Q11. I received a letter regarding one of my properties, asking me to file a UCC Financing Statement. I didn't receive a letter regarding my other property. Should I go ahead and file UCCs for both?

Answer: Unless you have filed a UCC-1 or UCC-3 for the other property within the past four and one-half years, you should go ahead and file UCCs for both properties.

Q12. What should I do if another entity has filed a UCC against my organization?

Answer: Even if another entity has a superior security interest on the property, you must still file a UCC-1 or UCC-3. Let your local HUD Field Office know if another entity has already filed.

Q13. May I pay the filing fees out of my property's operating expense account?

Answer: The UCC filing fees are nominal and may be paid out of the property's operating expenses or project funds.