

GSCCCA Update

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An update on the activities of the Georgia Superior Court Clerks' Cooperative Authority

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Revised Article 9 Becomes Effective

Revised Article 9 (RA9) of the UCC became effective July 1, 2001 in Georgia and in as many as 40 other states. RA9, the result of a ten-year project by the National Conference of Commissioners on Uniform Laws, gives much greater responsibility to the private sector. At the same time, it removes responsibility, liability and all discretion from the filing officers (Clerks of Superior Court) and the filing system. The filing party is completely responsible for filing accurate information and for knowing the correct name or names under which the filings should be searched.

The Georgia Superior Court Clerks' Cooperative Authority has developed a "New UCC Article 9" section on our website to help ease the transition from the old Georgia law to the new revised Article 9. The site contains:

- A brief history of Article 9
- The new UCC Administrative Procedures
- New UCC forms
- Frequently asked questions for filing parties
- A Clerk Resource Center (including an overview of the revisions, frequently asked questions and reasons for rejecting a filing)

- A Powerpoint presentation on the new UCC search system
- HB 191 legislation (a link to the enabling legislation)

The following are major changes of RA9 that will affect Clerks of Superior Court:

- New national forms are being used.
- UCC-2s are eliminated.
- Signatures are no longer required on the UCC.
- Social Security Numbers/TINs are no longer required.
- UCCs are now filed in the state where the debtor is incorporated (for a business) or in the state where the debtor resides (for an individual).
- If a record is rejected, the clerk must send a notice to the filing party stating the reasons for the rejection and the date and time the record would have been filed. (The Authority is developing a standard form that clerks may use.)

See our website for more information on these issues and other changes to Article 9. ■

Indexing trouble areas

As part of the review of the Deed Index Training, certain indexing areas continue to be a problem. The following is a list of the trouble areas:

- Abbreviations – See Section 5.1.
- Government names – See Section 6.0.
- Spacing in business names – See Section 4.4, Subsection "D".
- "The" – See Section 4.1.
- Titles, particularly "Mrs" – See Section 3.12.
- Corporate names containing apparent human names – See Section 4.2.

- Use of punctuation in business names, particularly "comma" – See Section 2.1.
- Lineage suffixes (Jr/Junior) – See Section 3.11.
- Additional names, i.e. AKA, DBA, etc. – See Section 2.5.

Please review the sections listed above. Please note, in particular, that the word "The" should never be indexed as the first word of a name. For example, "The Bank of Edison" should be indexed "Bank of Edison." This also applies to AKA, DBA and other such acronyms. For example, "Bank of America FKA NationsBank" would be indexed as two separate names: "Bank of America" and "NationsBank" without the "FKA" being listed. ■



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Board Meeting Review

The Board of Directors of the Georgia Superior Court Clerks' Cooperative Authority convened for its quarterly meeting on April 11, 2001 at the Authority office. Following is a review of their proceedings.

General Business:

Minutes of the January 2001 board meeting and the Treasurer's report were presented and approved unanimously. The 2001-2002 proposed budget was presented by Executive Director David Williams. A motion was made and approved to table the budget until all board members had sufficient time to review the budget. The budget would be approved at a later date by conference call. Additionally, the Board voted to hold a planning session in the summer to establish an economic forecast for the Authority to clearly define project commitments.

Article 9 Update

An update on Article 9 (UCC) legislation was presented by David Williams. The following motions were approved unanimously:

- A motion that the new Administrative Procedures reflect language that states that those provisions inconsistent with Georgia law not be entered in the central indexing system database.
- A motion to accept the National UCC forms (rev. 7/29/98) for use in the state of Georgia as of July 1, 2001. The forms include UCC-1, UCC1Ad, UCC-3, UCC-3Ad, UCC Correction Statement and UCC-11 Request for Information.
- A motion to develop language for a disclaimer to be disseminated that states that when any data is filed inconsistent with Georgia law, the party must rely on the document image. Any disclaimer would be reviewed and approved by legal counsel.
- A motion to allow the currently approved Georgia UCC forms to be accepted through December 31, 2001.

UCC Project Development

George Olive presented an update on the UCC Project development. Mr. Olive reported that the project contains two components: the search application and the data entry application. The

search application should be ready for testing in approximately 1-2 months. The data entry component will follow.

Public Information Initiative

Mike Holiman of Cornerstone Communications provided an update on the Authority's Public Information Initiative. A presentation was made at the Georgia Bankers Association Trade Show in March. The Authority's participation was successful and garnered interest in the Authority and its projects. There are plans to participate in other conferences this year including the Georgia Bar Association, the Community Bankers Association of Georgia and the Georgia Realtors Association.

Network Upgrade Proposals

John Myers reported on network upgrade proposals. Mr. Myers reported that current 56K connections are becoming insufficient to handle network activity. He recommended connections be upgraded to DSL. A pilot project is operational involving two counties. Mr. Myers stated that 54 counties have been identified as being "congested" and would benefit from the upgrade to DSL. The cost savings of DSL versus T1 lines is substantial, approximately 1.4 million dollars in savings for the entire network.

Other Business

Others motions unanimously approved include:

- A motion to not accept historical images without the corresponding index.
- A motion for project consultants to allow images from one county with no time stamp on historical deeds to be added to the index reflecting a time of 00:00:00.
- A motion to approve proclamations honoring former board members.

Mr. Olive related that the Notary Public web page would be addressed as programming work on the UCC project comes to a close.

Mr. Wilkes expressed a desire to establish a web page for clerks with its own unique domain name. Mr. Olive stated that work on a page that would allow clerks to access threaded discussions and newsgroups is continuing. ■

GSCCCA
Customer Support:
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More UCC Training

The Authority recently held two weeks of training on the Revised Article 9. Due to continued interest, more training is planned for July. Information on the

training will be sent to all clerks via e-mail. If you would be interested in hosting a training session, contact Mike Smith at the Authority. ■