

By: Representative McBride

To: Judiciary A

HOUSE BILL NO. 785

1 AN ACT TO AMEND SECTION 75-9-513, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE RELEASE OF COLLATERAL BY A SECURED PARTY; AND FOR
3 RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 **SECTION 1.** Section 75-9-513, Mississippi Code of 1972, is
6 amended as follows:

7 75-9-513. (a) A secured party shall cause the secured party
8 of record for a financing statement to file a termination
9 statement for the financing statement if the financing statement
10 covers consumer goods and:

11 (1) There is no obligation secured by the collateral
12 covered by the financing statement and no commitment to make an
13 advance, incur an obligation, or otherwise give value; or

14 (2) The debtor did not authorize the filing of the
15 initial financing statement.

16 (b) To comply with subsection (a), a secured party shall
17 cause the secured party of record to file the termination
18 statement:

19 (1) Within one (1) month after there is no obligation
20 secured by the collateral covered by the financing statement and
21 no commitment to make an advance, incur an obligation, or
22 otherwise give value; or

23 (2) If earlier, within twenty (20) days after the
24 secured party receives an authenticated demand from a debtor.

25 (c) In cases not governed by subsection (a), within twenty
26 (20) days after a secured party receives an authenticated demand
27 from a debtor, the secured party shall cause the secured party of



28 record for a financing statement to send to the debtor a
29 termination statement for the financing statement or file the
30 termination statement in the filing office if:

31 (1) Except in the case of a financing statement
32 covering accounts or chattel paper that has been sold or goods
33 that are the subject of a consignment, there is no obligation
34 secured by the collateral covered by the financing statement and
35 no commitment to make an advance, incur an obligation, or
36 otherwise give value;

37 (2) The financing statement covers accounts or chattel
38 paper that has been sold but as to which the account debtor or
39 other person obligated has discharged its obligation;

40 (3) The financing statement covers goods that were the
41 subject of a consignment to the debtor but are not in the debtor's
42 possession; or

43 (4) The debtor did not authorize the filing of the
44 initial financing statement.

45 (d) Except as otherwise provided in Section 75-9-510, upon
46 the filing of a termination statement with the filing office, the
47 financing statement to which the termination statement relates
48 ceases to be effective. Except as otherwise provided in Section
49 75-9-510, for purposes of Sections 75-9-519(g), 75-9-522(a) and
50 75-9-523(c), the filing with the filing office of a termination
51 statement relating to a financing statement that indicates that
52 the debtor is a transmitting utility also causes the effectiveness
53 of the financing statement to lapse.

54 (e) A secured party of record shall by his signed statement
55 release all or part of any collateral described in a filed
56 financing statement.

57 **SECTION 2.** This act shall take effect and be in force from
58 and after July 1, 2002.

