



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Section 306 Security Interests in Personal Property

### 306.01 Uniform Commercial Code (UCC) Financing Statements

#### Requirements

You must:

- Ensure that the Security Instrument creates a Lien on all Personal Property.
- Ensure that the Lien is a perfected first priority Lien.
- Assign each UCC security interest to Fannie Mae.

### 306.02 Creating and Perfecting the Security Interest

#### Guidance

Article 9 of the UCC covers the perfection of a security interest in Personal Property.

The following table describes how to create and perfect a security interest.

To...	Do the following...
Establish whether the Borrower or a third party owns the Personal Property	Confirm that the Borrower has provided a representation of ownership in the Underwriting Certificate ( Borrower ) (Form 6460.Borrower).
Verify that no other party has a Lien on the Personal Property	Conduct searches for UCC financing statements, tax Liens, and judgments on all relevant parties to the transaction.
Obtain a perfected first security interest in the Personal Property	<ul style="list-style-type: none"><li>• Obtain a security agreement from each third party that owns Personal Property.</li><li>• Verify that the Security Instrument and each third party security agreement contains a granting clause creating a security interest in all Personal Property.</li><li>• File a UCC-1 financing statement in the appropriate filing and recording office(s), with a description that matches the security interest granted in the Security Instrument.</li></ul>



To...	Do the following...
Assign the security interest from you to Fannie Mae	File an appropriate assignment (e.g., UCC-1Ad; UCC-3) in the same office(s) where the UCC-1 is filed or recorded.



# Glossary

## B

**Borrower** Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

## L

**Lien** Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

### **Synonyms**

- Liens

## P

**Personal Property** Furniture, fixtures, equipment, and other tangible personal property located on or used in connection with the Property.

## S

**Security Instrument** Instrument creating a lien or encumbrance on 1 or more Properties and securing the Loan Document obligations.

### **Synonyms**

- Security Instruments
- Security Instrument's

## U

**UCC** Uniform Commercial Code