



Minimize your **RISK** and **STRESS** when extending credit.

Through the cost-effective UCC process, we can help secure your equipment, inventory and receivables - and prevent loss when the unexpected happens.

How can I reduce my risk when extending credit?

A UCC filing elevates your status to a secured creditor and protects you in the event that your customer defaults or files bankruptcy.

Why should I file UCCs?

1 In addition to reducing risk, the financial benefits of a UCC filing program are:

- **Lower DSO** - Reduce time it takes to collect payment and improve cash flow
- **Increased sales** - Sell to previously unobtainable marginal accounts and increase your clients' credit lines
- **Fewer write-offs** - Lower the cost associated with your product
- **No cost** to your customer or impact to their credit rating



2 A UCC filing is the Security Agreement public document, and allows you to:

- **Gain collateral** through equipment, inventory, and proceeds from the sale, and your accounts receivable
- Possibly **repossess your inventory** if your customer files for bankruptcy or defaults
- **Protect future transactions** by securing for five years*

*State Specific

How do we do it?

Before you extend credit, we arm you with the tools necessary to secure payment:

 *We had a customer who filed a chapter 7 liquidation bankruptcy. Our inventory was part of the bankruptcy estate. The trustee offered our inventory back to us because we were a secured creditor. The inventory wasn't worth anything to us at this stage. The trustee agreed to sell the inventory as part of the auction of bankruptcy assets. We received the benefit of the sale of the goods. We were paid in full after the auction. The unsecured creditors received the pro-rata that remained.* 

Director of Corporate Credit at [Kichler Lighting](#)

Types of UCCs

Blanket Filing

- A security interest in all assets of your customer on a non-priority basis
- Eliminates potential conflict with your customer's primary lender
- Priority or payout in a bankruptcy is determined by the filing date
- Applicable when providing financing, selling services, or when your customer "consumes" your goods

Purchase Money Security Interest (PMSI) Filing

- Provides the same benefits as the blanket filing
- Places you ahead of all previously secured creditors in your equipment/inventory
- Enables you to send a friendly reminder to clients when they don't pay, informing them you can repossess your equipment/inventory

Other Types of UCCs

- **Consignment Sale** – Goods sent to an agent for sales with title being held by consignor until a sale is made
- **Bailment** – Goods, to be processed or improved, delivered in trust for limited period
- **Tooling** – Tools provided to an outside manufacturing company to provide a finished product for sale
- **Warehousing Situations** – Stocked goods or inventory at a third-party location
- **Installments/Promissory Notes** – Payment for a debt, made in intervals

Our UCC Services



UCC Filing Services

Our UCC Services experts provide assistance in the preparation, filing and maintenance of UCC Financing Statements.



UCC Monitoring Services

UCC monitoring service is a simple and effective method of tracking your current UCC filings to eliminate accidental lapses.



Corporate Monitoring

We offer a corporate monitoring option that will alert you of changes to a registered entity.



Bankruptcy Monitoring

We offer a bankruptcy monitoring option that will alert you if your customer files for bankruptcy protection.

Expertise. Security. Profitability.

With guidance from our experienced and knowledgeable team, your company can successfully navigate through the complexities of UCC filing.

For more information: Call **800-826-5256** or email SecureYourTomorrow@NCScredit.com

