

70A-9a-508 Effectiveness of financing statement if new debtor becomes bound by security agreement.

- (1) Except as otherwise provided in this section, a filed financing statement naming an original debtor is effective to perfect a security interest in collateral in which a new debtor has or acquires rights to the extent that the financing statement would have been effective had the original debtor acquired rights in the collateral.
- (2) If the difference between the name of the original debtor and that of the new debtor causes a filed financing statement that is effective under Subsection (1) to be seriously misleading under Section 70A-9a-506:
 - (a) the financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four months after, the new debtor becomes bound under Subsection 70A-9a-203(4); and
 - (b) the financing statement is not effective to perfect a security interest in collateral acquired by the new debtor more than four months after the new debtor becomes bound under Subsection 70A-9a-203(4) unless an initial financing statement providing the name of the new debtor is filed before the expiration of that time.
- (3) This section does not apply to collateral as to which a filed financing statement remains effective against the new debtor under Subsection 70A-9a-507(1).

Enacted by Chapter 252, 2000 General Session