

# Mastering Secured Transactions

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# Mastering Secured Transactions

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UCC Article 9

THIRD EDITION

**Grace M. Giesel**

BERNARD FLEXNER PROFESSOR AND  
DISTINGUISHED TEACHING PROFESSOR  
UNIVERSITY OF LOUISVILLE  
LOUIS D. BRANDEIS SCHOOL OF LAW



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# Series Editor's Foreword

The Carolina Academic Press Mastering Series is designed to provide you with a tool that will enable you to easily and efficiently “master” the substance and content of law school courses. Throughout the series, the focus is on quality writing that makes legal concepts understandable. As a result, the series is designed to be easy to read and is not unduly cluttered with footnotes or cites to secondary sources.

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We hope that you will enjoy studying with, and learning from, the Mastering Series.

Russell L. Weaver  
Professor of Law & Distinguished University Scholar  
University of Louisville, Louis D. Brandeis School of Law



# Preface

Article 9 of the Uniform Commercial Code is a complex subject for law students who are relatively new to the process of reading statutes and who have limited experience in the world of commercial debt, debtors, and creditors. My hope is that this book, *Mastering Secured Transactions*, will assist law students in understanding the concepts that are a part of this area of the law. I also hope that it will provide students with an easy-to-understand guide to the provisions of Article 9 of the Uniform Commercial Code. The book examines most of the sections of Article 9, so it is a useful study aid for a course on secured transactions or a more general commercial law course. Of course, this book should also be a great study aid for reviewing the topic of secured transactions for a bar examination.

As a teacher, I want to stress that this book is not a substitute for a careful reading of Article 9's provisions. But as you work your way through Article 9, use this book to assist you in grasping what the various provisions of Article 9 mean, how to apply the provisions to real-life situations, and how the provisions work together.

Citations to Article 9 in this book are to the 2010 Official Text of Article 9. The 2010 Official Text includes the most recent amendments to Article 9. These amendments are called (no surprise) "the 2010 amendments." The uniform effective date for the 2010 Official Text is July 1, 2013. All states have a version of Article 9 as part of their statutory framework. Keep in mind, however, that states sometimes adopt specific provisions that vary from Article 9 of the Uniform Commercial Code. Usually, the state variations are minor, but as you study for a bar examination, you should make sure you know what Article 9 in that state says.

Citations in this book to Article 1 of the Uniform Commercial Code are to the 2001 Official Text of Article 1, known as Revised Article 1. The vast majority of states have incorporated Revised Article 1 into their state statutes. Citations to Article 2 are to the current Article 2.

Students often come to the first secured transactions class with little understanding of what they will be learning in the course. As they go through the semester, some students are, at first, frightened by the perhaps foreign subject

of loans, debts, secured interests, perfection, and priority. And sometimes students are uncomfortable working with the language and vocabulary of the provisions of Article 9. As the semester continues, however, I find that many students discover that they love the logic and elegance of the law of secured transactions. My hope is that this book will help students learn and enjoy learning the subject. Perhaps this book will help make the secured transactions course every student's favorite!

Grace M. Giesel  
August 2020

# Acknowledgment

I owe a deep debt to Professor Richard H. Nowka. Professor Nowka authored the first two editions of this book. It is very much his work. Professor Nowka has retired from teaching law after a long and very successful career. Countless former students are very thankful to have learned the intricacies of secured transactions from Professor Nowka's intellectual yet grounded approach to teaching the subject. I am honored to have been selected to author the third edition of this book.

