

“BOOTS”

Time to polish the “Boots”, again.

UCC Article 9

“Debtor” means:

- (A) a person having an interest, **other than a security interest or other lien, in the collateral**, whether or not the person is an obligor;
- (B) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or
- (C) a consignee.

“Obligor” means:

a person that, with respect to an obligation **secured by a security interest in** or an agricultural lien on **the collateral**, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

Here is where you need to know the difference between shit and Shinola, uhh, I mean “Debtor” and “Obligor”. One would have to agree that General Patton and his troops knew the difference.

Clearly the “Obligor” is the homeowner who signed the paper tangible note and paper tangible security instrument.

What is not so clear, the “Debtor” is the Investment Trust. It is the Trust that offered up securities in the form of intangible electronic chattel paper to investors secured by the “Intangible” collateral pool, this collateral should have consisted of the “Obligors” paper tangibles, it did not.

§ 9-312. PERFECTION OF SECURITY INTERESTS IN CHATTEL PAPER, DEPOSIT ACCOUNTS, DOCUMENTS, GOODS COVERED BY DOCUMENTS, INSTRUMENTS, INVESTMENT PROPERTY, LETTER-OF-CREDIT RIGHTS, AND MONEY; PERFECTION BY PERMISSIVE FILING; TEMPORARY PERFECTION WITHOUT FILING OR TRANSFER OF POSSESSION.

(a) [Perfection by filing permitted.]

A security interest in chattel paper, negotiable documents, **instruments**, or investment property may be perfected by filing.

You just got to love the word “MAY”.

(g) [Temporary perfection: delivery of security certificate or instrument to debtor.]

A perfected security interest in a certificated security or instrument remains perfected for 20 days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

- (1) ultimate sale or exchange; or
- (2) presentation, collection, enforcement, renewal, or registration of transfer.

(h) [Expiration of temporary perfection.]

After the 20-day period specified in subsection (e), (f), or (g) expires, perfection depends upon compliance with this article.

“Perfection” is not “Priority”

U.C.C. - ARTICLE 9 - SECURED TRANSACTIONS

§ 9-312. *PERFECTION OF SECURITY INTERESTS IN CHATTEL PAPER, DEPOSIT ACCOUNTS, DOCUMENTS, GOODS COVERED BY DOCUMENTS, INSTRUMENTS, INVESTMENT PROPERTY, LETTER-OF-CREDIT RIGHTS, AND MONEY; PERFECTION BY PERMISSIVE FILING; TEMPORARY PERFECTION WITHOUT FILING OR TRANSFER OF POSSESSION.*

(a) [Perfection by filing permitted.]

A security interest in [chattel paper](#), negotiable documents, [instruments](#), or [investment property](#) may be perfected by filing.

(b) [Control or possession of certain collateral.]

Except as otherwise provided in Section [9-315\(c\)](#) and (d) for [proceeds](#):

(1) a security interest in a [deposit account](#) may be perfected only by control under Section [9-314](#);

(2) and except as otherwise provided in Section [9-308\(d\)](#), a security interest in a [letter-of-credit right](#) may be perfected only by control under Section [9-314](#); and

(3) a security interest in money may be perfected only by the secured party's taking possession under Section [9-313](#).

(c) [Goods covered by negotiable document.]

While [goods](#) are in the possession of a bailee that has issued a negotiable [document](#) covering the goods:

(1) a security interest in the goods may be perfected by perfecting a security interest in the [document](#); and

(2) a security interest perfected in the [document](#) has priority over any security interest that becomes perfected in the goods by another method during that time.

(d) [Goods covered by nonnegotiable document.]

While [goods](#) are in the possession of a bailee that has issued a nonnegotiable [document](#) covering the goods, a security interest in the goods may be perfected by:

(1) issuance of a [document](#) in the name of the [secured party](#);

(2) the bailee's receipt of notification of the secured party's interest; or

(3) filing as to the goods.

(e) [Temporary perfection: new value.]

A security interest in certificated securities, negotiable documents, or [instruments](#) is perfected without filing or the taking of possession or control for a period of 20 days from the time it attaches to the extent that it arises for [new value](#) given under an [authenticated security agreement](#).

(f) [Temporary perfection: goods or documents made available to debtor.]

A perfected security interest in a negotiable [document](#) or [goods](#) in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for 20 days without filing if the [secured party](#) makes available to the [debtor](#) the goods or documents representing the goods for the purpose of:

(1) ultimate sale or exchange; or

(2) loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

(g) [Temporary perfection: delivery of security certificate or instrument to debtor.]

A perfected security interest in a certificated security or [instrument](#) remains perfected for 20 days without filing if the [secured party](#) delivers the security certificate or instrument to the [debtor](#) for the purpose of:

(1) ultimate sale or exchange; or

(2) presentation, collection, enforcement, renewal, or registration of transfer.

(h) [Expiration of temporary perfection.]

After the 20-day period specified in subsection (e), (f), or (g) expires, perfection depends upon compliance with this article.