

# Checklist for Protection of Security Interest

## for Ohio Businesses

Transactions which include Security Interests can be loans, extension of credit, sale of assets, leases, Purchase Money Security Interest (PMSI) and/or landlord liens. This checklist provides an overview of steps to take to protect your Security Interest if you have a business in Ohio.

- Conduct an initial lien check of the proposed Debtor.
  - Lien check can be done electronically on the website of the Secretary of State for the state in which the Debtor was organized (if the Debtor is an organization) or in which the Debtor resides (if the Debtor is an individual).
  - If there are prior liens or financing statements filed, legal counsel should be consulted to discuss perfecting the lien.
- Enter into transactional documents with the Debtor. Samples of such documents are:
  - The Debt Instrument
  - A Security Agreement
- Determine in which state a Financing Statement should be filed.
  - If the Debtor is an organization, the proper state is the state in which the organization was formed.
  - If the Debtor is an individual, the proper state is the state in which the individual resides.
- Gather information and complete the Financing Statement.
  - If the Debtor is an organization, the full name of the organization as reflected in the Debtor's Articles of Incorporation or Articles of Organization must be included in the Financing Statement.
  - If the Debtor is an individual, the full name of the individual as reflected in the Debtor's driver's license must be included.
  - The full business address must be included.
  - If the Security Interest is a Purchase Money Security Interest the description of the Collateral should specifically identify the equipment and/or assets which were purchased in connection with the grant of the Security Interest.
- File Financing Statement.
  - File Financing Statement either electronically on the website of the office of the Secretary of State or a hard copy can be mailed directly to the office of the Secretary of State.
  - Pay the appropriate filing fee
  - Financing Statement should be filed as soon as practical to establish priority
  - If attempting to establish a Purchase Money Security Interest, the Financing Statement must be filed prior to the Debtor receiving possession of the Collateral or within twenty (20) days after the Debtor receives possession of the Collateral.
- Consider the filing of a fixture filing or obtain waiver from real property owner if the Collateral contains any assets which could be deemed to be fixtures.
- Maintain the perfection of the Financing Statement.
  - Within the six months prior to the fifth anniversary of the filing of the Financing Statement, a Form UCC3 must be filed to continue the perfection of the Financing Statement. Within four months of any change of address of the Debtor, a Form UCC3 must be filed to reflect this change.
- A Termination Statement (Form UCC3) should be filed within one month of the payment of the debt obligation in full.

This checklist should be used in connection with a more comprehensive summary. For specific questions, please contact [Lisa Rammes](#) at Stagnaro, Saba & Patterson, (513) 533-2700.