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**AB-771 Financing statements: mortgages.** (2025-2026)

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**Assembly Bill No. 771**

**CHAPTER 43**

An act to amend Section 9502 of the Commercial Code, relating to secured transactions.

[ Approved by Governor July 14, 2025. Filed with Secretary of State July 14, 2025. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 771, Macedo. Financing statements: mortgages.

Existing law, the Uniform Commercial Code-Secured Transactions (UCC), provides that a financing statement is sufficient only if it provides, among other things, the name of the debtor and that, if the debtor is an individual to whom the Department of Motor Vehicles has issued a driver's license that has not expired or an identification card that has not expired, a financing statement sufficiently provides the name of the debtor only if it provides the name of the individual indicated on that driver's license or identification card, as specified.

Existing law makes a record of a mortgage effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if certain conditions are met, including that the record satisfies the conditions for a financing statement referenced above, as specified.

This bill would, instead, provide that a record of a mortgage sufficiently names the debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom the Department of Motor Vehicles has issued an unexpired driver's license or identification card.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 9502 of the Commercial Code is amended to read:

**9502.** (a) Subject to subdivision (b), a financing statement is sufficient only if it satisfies all of the following conditions:

- (1) It provides the name of the debtor.
- (2) It provides the name of the secured party or a representative of the secured party.
- (3) It indicates the collateral covered by the financing statement.

(b) Except as otherwise provided in subdivision (b) of Section 9501, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subdivision (a) and also satisfy all of the following conditions:

(1) Indicate that it covers this type of collateral.

(2) Indicate that it is to be recorded in the real property records.

(3) Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property.

(4) If the debtor does not have an interest of record in the real property, provide the name of a record owner.

(c) A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if all of the following conditions are satisfied:

(1) The record indicates the goods or accounts that it covers.

(2) The goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut.

(3) The record satisfies the requirements for a financing statement in this section, except that both of the following apply:

(A) The record need not indicate that it is to be filed in the real property records.

(B) The record sufficiently provides the name of a debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom paragraph (4) of subdivision (a) of Section 9503 applies.

(4) The record is duly recorded.

(d) A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.