Filing Your UCCs In-House: More Risk Than Reward?

When you file a UCC financing statement, you expect to be able to quickly and easily protect your assets over the lifecycle of the loan, but there are factors that can complicate your ability to do business—particularly if you’re growing faster or lending in multiple states. Here’s how your world is changing:

- **Inconsistent, differing filing processes** that change continually and vary by jurisdiction
- **The increasing demand for process optimization and document traceability** in the event of an audit
- **The average debtor has two active liens, and 25% have more than four!**

### Going It Alone

Facing these pressures, over 8,000 creditors and institutions that file UCCs use expert partners to **verify and prevent** their loans from being filed in-house. Filing in-house might seem like the simple, cost-effective approach, but if you’re unsure about whether you’re subject to or through mergers and acquisitions—that approach has some serious limitations. When you can’t rely on an expert service provider, those limitations include:

- **Lack of process automation tools**, which produces inefficiency and error
- **Limited customer support**, which means your internal experts are stretched thin
- **Lack of a single point of access**, which makes it hard to navigate different state requirements as you scale, grow and move into uncharted territory

### Risky Business?

Where there are challenges, there are risks to your assets, your compliance and your ability to compete with new industry dynamics with more efficient workflows.

When you file in-house, you risk experiencing:

- **Significantly higher error and rejection rates**
- **In-house fees see a 22% rejection rate!**
- **Potential loss of lien position if you don’t file a continuation statement before your lien expires**
  - 85% of liens lapse in a given year!
- **Limited ability to manage liens after the initial filing—which exposes you to risks you may never even know about**
  - On average, 16% of dossier names have a Change event per year.

### Manage Risk Throughout the Lifecycle of Your Loans

To avoid these issues and protect your assets, you need to recognize that managing lien perfection and avoiding risks requires unique tools and a new management model—something that is hard to do without the right partner and technology. So how do you bring that about?

- **Gain visibility into UCC and debtor changes that take place after your initial filing**
- **Streamline workarounds by automating manual steps**
- **Reduce filing costs and improve efficiency processes**
- **Cut through the complexity of filing processes with an expert partner**
- **See all of your liens in one, no matter where they are filed**
- **Take important actions and avoid unexpected surprises**

To learn more about how, download the ebook.

Visit Lien Solutions’ webpage for in-house filers.