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 fast or lending in multiple states.

Here's how your world is changing:

Inconsistent, differing filing processes that change continually and vary by jurisdiction

The growing volume and speed of transactions—and the added pressure to keep up with nimble, non-banking competitors such as FinTech companies

The increasing demand for process optimization and document trackability in the event of an audit

The average debtor has two active liens, and 25% have more than four[1]

Going It Alone

Facing these pressures, over 8,000 financial institutions that file UCCs use an expert partner to "perfect and protect" their loans.[2]

Filing in-house might seem like the simple, cost-effective approach. But if you're growing rapidly—either organically 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 limitations, there are risks—to your assets, your compliance and your ability to compete with new industry disruptors with more efficient workflows.

When you file in-house, you risk experiencing:

Significantly higher error and rejection rates

In-house filers see a 22% rejection rate[3]

Potential loss of lien position if you don't file a continuation statement before your lien expires

8% of liens lapse in a given year[4]

Limited ability to manage liens after the initial filing—which exposes you to risks you may never even know about

On average, 16% of debtor names have a change event per year[5]

Manage Risk Throughout the Lifecycle of Your Loans

To avoid these issues and protect your assets, you need to recognize that maintaining lien perfection and minimizing risk requires dedicated end-to-end management—which is hard to do without the right partner and technology. So how do you bring about that shift?

- **Gain visibility** into UCC and debtor changes that take place after your initial filing
- **Streamline workflows** by automating manual, error-prone and inefficient processes
- **Cut through the complexity** of differing filing processes and state requirements
- **See all of your liens**—no matter where or by whom they were filed—**in one place**, so you can take important actions and get the portfolio health insight you need to perfect and protect your assets

To learn more about how, download the eBook.

Visit Lien Solutions' webpage for in-house filers.

1 Wolters Kluwer analysis of public records data
2 Wolters Kluwer analysis of public records data
3 Based on Wolters Kluwer internal customer data
4 Wolters Kluwer analysis of public records data
5 Wolters Kluwer internal analysis of public data

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