
promissory note

Posted by GelRon - 2011/06/01 22:53

if a debtor issues a promissory note in favor of the lender, but the lender never files a UCC lien will the bankruptcy court honor the note and exclude it from the bankruptcy even though the note was never perfected by filing a UCC lien?

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Re:promissory note

Posted by Mike Sareta - 2011/06/14 22:56

The Bankruptcy courts need to see that the creditor/payee perfected the security interest before they will give credit to the creditor/payee. Otherwise, it will become an asset of the bankruptcy estate. So, if you have not already, file the UCC lien to perfect your security interest.

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Re:promissory note

Posted by GelRon - 2011/06/17 22:54

It has baffled me why the bankruptcy court would ignore a promissory note that was not perfected. But, it was recently explained to me that since there is so much fraud out there with people back dating notes and robo signing mortgages, that perfecting title is the only way to prove that the note actually exists.

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