

§ 25-9-706. When initial financing statement suffices to continue effectiveness of financing statement.

(a) Initial financing statement in lieu of continuation statement. – The filing of an initial financing statement in the office specified in G.S. 25-9-501 continues the effectiveness of a financing statement filed before July 1, 2001 if:

- (1) The filing of an initial financing statement in that office would be effective to perfect a security interest under this act;
- (2) The pre-effective-date financing statement was filed in an office in another state or another office in this State; and
- (3) The initial financing statement satisfies subsection (c) of this section.

(b) Period of continued effectiveness. – The filing of an initial financing statement under subsection (a) of this section continues the effectiveness of the pre-effective-date financing statement:

- (1) If the initial financing statement is filed before July 1, 2001, for the period provided in G.S. 25-9-403 of former Article 9 with respect to a financing statement; and
- (2) If the initial financing statement is filed after July 1, 2001, for the period provided in G.S. 25-9-515 with respect to an initial financing statement.

(c) Requirement for initial financing statement under subsection (a). – To be effective for purposes of subsection (a) of this section, an initial financing statement must:

- (1) Satisfy the requirements of Part 5 of this Article for an initial financing statement;
- (2) Identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and
- (3) Indicate that the pre-effective-date financing statement remains effective. (2000-169, s. 1.)