



UCC-1 Guidance

This document is intended solely to assist recipients in better understanding Office of Internet Connectivity and Growth (OICG) grant programs and the requirements set forth in the Notices of Funding Opportunity (NOFOs) for the respective OICG programs. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the specific application requirements set forth in the program NOFOs. In all cases, statutory and regulatory mandates, the terms and conditions of the award, the requirements set forth in the NOFOs, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.



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The National Telecommunications and Information Administration (NTIA) offers this resource to recipients to provide guidance on Uniform Commercial Code (UCC-1) filing. For more information or program-specific requirements, please review your award documents (e.g., Notice of Award, Specific Award Condition) and contact your Federal Program Officer (FPO) with any questions.



OVERVIEW

Real property, equipment, and intangible assets purchased or improved using a federal award must be held in trust by the recipient or subrecipient for the benefit of the project or program for which the property was acquired or improved. This trust relationship exists throughout the duration of the useful life of the Property, as determined by NTIA in accordance with the Estimated Useful Life Schedule,¹ during which time NTIA retains an undivided equitable reversionary interest in the Property (the “federal interest”).

NTIA may require the recipient or subrecipient to record liens or other appropriate notices of record such as the Uniform Commercial Code (UCC-1) to indicate that personal property has been acquired or improved with a federal award and that use and disposition conditions apply to the property.



DEFINITIONS

- The **UCC-1 form**² is used to establish a creditor's claim on fixtures or personal property as collateral. By completing this form, the recipient or subrecipient notifies the public and other potential creditors of NTIA's interest in specific assets. It creates a public record that determines the priority of competing claims.
- **Personal property** refers to equipment or assets that are not affixed to the site and can be removed without damage, such as routers, tools, or permits.
- **Fixtures** refers to personal property so affixed to the land that it is legally considered part of the realty, such as electrical panels or mounted backup generators.
- **Real Property** refers to land, including land improvements, structures, and accessories thereto, and legal interests in land. To document federal interest in real property, a Covenant of Purpose, Use, and Ownership (**Covenant**) may be recorded.
- **Equipment** refers to tangible personal property having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000.
- **Tangible Assets** are assets that have a physical form and measurable value.
- **Trust** refers to a legal and regulatory relationship where certain property or assets acquired or improved with federal funds are held for public purposes, with the federal government retaining an undivided equitable reversionary interest in them.
- **Undivided Equitable Reversionary Interest** refers to a legal and equitable right retained by the federal government in certain property acquired or improved with federal funds.

To the extent that the property consists of fixtures or personal property other than supplies (both tangible, such as equipment, or intangible, such as licenses or permits), and as required by the specific grant program, **the recipient or subrecipient may record UCC-1 forms** with the appropriate state office in accordance with that state's codification of UCC Article 9 (for personal property not affixed to land).

¹ As determined by NTIA.

² UCC-1 Filings are not letters of credit, payment obligations, guaranties, or other credit support instruments.

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UCC-1 FILING ROLES AND REVIEW PROCESS



The **recipient or subrecipient** that improved or acquired project funded assets or equipment files the UCC-1 documentation in that state where the assets were deployed.



NTIA provides initial review and works with recipient to revise the documentation before submitting to the Grants Office.



Recipient or subrecipient's legal counsel, licensed by the state within which the filings were made, certifies that the documentation has been properly executed and recorded or filed in accordance with state law.



FEDERAL DOCUMENTATION REQUIREMENTS

Table 1 summarizes the federal interest documentation requirements associated with the common items of property. Consult applicable state law to determine whether a particular asset should be classified as either real or personal property.

Table 1: Documentation Requirements

Type of Property	Approach to Documenting the Federal Interest
Real Property	<ul style="list-style-type: none"> • Properly executed and recorded Covenant of Purpose, Use and Ownership in the jurisdiction where the real property is located; in the case of land leases, easements, rights-of-way, or other non-fee simple interests in real property, the recipient's interest should be as long as the useful life of any property deployed or installed thereon, unless other terms acceptable to NTIA have been approved in writing by the Grants Officer. The recipient must ensure that either the associated agreement acknowledges the federal interest in the property, which should provide for a right of assignment, if the recipient fails to act in accordance with the terms and conditions of the award, or that a covenant that acknowledges the federal interest is recorded.
Fixtures (personal property so affixed to the land that it is legally considered part of the realty)	<ul style="list-style-type: none"> • UCC-1 filed in the jurisdiction where the real property is located, renewed as necessary for as long as the useful life of the fixture; in case of land leases, easements, rights-of-way, or other non-fee simple interests in real property, the recipient's interest must be as long as the useful life of the fixture deployed or installed thereon, unless other terms acceptable to NTIA have been approved in writing by the Grants Officer. • The recipient must ensure that either the associated agreement acknowledges the federal interest in the property, which should provide for a right of assignment if the recipient fails to act in accordance with the terms and conditions of the award, or that a covenant that acknowledges the federal interest is recorded.
Personal Property (both tangible and Intangible)	<ul style="list-style-type: none"> • UCC-1 filed in the central filing office as directed under the State's Uniform Commercial Code, Art. 9, noting the federal interest in the personal property, renewed as necessary for as long as the estimated useful life of the property; or if another legal filing scheme preempts the UCC, then in accordance with such requirements. In the case of capital leases of personal property (including, where applicable, indefeasible right-of-use (IRU) agreements), the recipient must ensure that either the associated agreement acknowledges the federal interest in the property, which should provide for a right of assignment if the recipient fails to act in accordance with the terms and conditions of the award, or that a UCC-1 that acknowledges the federal interest is recorded.

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ACQUIRING A UCC-1 FORM

UCC-1 forms may differ slightly from state to state. These forms are usually available from an attorney, a bank’s loan department, or an office supply store and may be available online in some states. NTIA does not provide UCC-1 forms.



UCC-1 FILING INFORMATION

Table 2 shows common fields that may be required when filing the UCC-1 form.

Table 2: UCC-1 Information

Field	Description
Debtor	The name and address of the recipient or subrecipient organization that will hold the property.
Secured Party	NTIA U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, DC 20230
Collateral	<p>The following text is an example of a description of the collateral: “Certain equipment (the Equipment) acquired or improved, or to be acquired or improved, under NTIA/”Program” Grant Award #XXXXX by [Recipient/Subrecipient], including but not limited to the items identified in “Name of Project Equipment List,” the project’s equipment list, which is attached hereto and incorporated herein by reference. Recipient/Subrecipient holds the Equipment in trust for the benefit of the NTIA “Program”. The federal Government retains an undivided equitable reversionary interest in each item of the Equipment for the useful life thereof, as determined by NTIA in accordance with the Useful Life Schedule.”</p> <p>Attach to the UCC-1 a list of the personal property acquired or improved with grant funds in the format shown in Table 3. This list should agree with the approved equipment list for the project from the award document.</p>
Signature	If a signature is required in the state where the document is to be filed, the document should be signed as the “Debtor” by an authorized representative of the recipient or subrecipient organization that will hold the property.
Filing	Once the UCC-1 is properly prepared, it should be filed in accordance with Article 9 of the state’s Uniform Commercial Code, which may mean with the office of a Secretary of State or other filing agency in the state where the recipient or subrecipient is legally organized. A UCC-1 for personal property to be affixed to land should be filed with the lien records of the local jurisdiction where the land is located.

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EQUIPMENT LIST SAMPLE

Table 3 provides an examples of an equipment list that must be attached to and filed with the UCC-1 form.

Table 3: Equipment List

Recipient Name
Recipient Address
NTIA/Award No. XXXXX

Quantity	Description	Manufacturer and Model Number	Serial Number(s)	Unit Cost	Price	Tag Number	Date of Acquisition	Useful Life (Per Useful Life Schedule)
3	4 Port 10/100/1000 Switch	Cisco ME 3400G-2-CS-A	6500748 6500749 6500750	\$xxx	\$xxx	101 102 103	10/15/2022	10 years



TIMING REQUIREMENTS

Documentation of the federal interest must be properly recorded under state/local law as soon as possible following any purchase, lease or other acquisition or improvement of Property, but in any event not later than closeout of the grant and before any sale or lease of the property.

If the award is amended to add or materially change covered property, additional and/or amended UCC-1 filings are required and should be stored in grant files. They should also be shared with NTIA promptly. The recipient or subrecipient should first consult its counsel if it has any questions and then follow up with its assigned FPO if further guidance is needed.



DOCUMENTATION SUBMISSION

The recipient or subrecipient must provide the Grants Office with:

1. The filed UCC-1 documents with information clearly visible; and
2. The attorney certification(s).

The recipient or subrecipient should submit this documentation via email to ugam@nist.gov, with the award number and “Federal Interest” referenced in the subject line. The recipient or subrecipient must maintain in their grants files copies of the instruments reflecting the documentation of the federal interest, specifically the filed UCC-1 document.



ADDITIONAL QUESTIONS?

For additional questions related to UCC-1 filing, please contact your FPO.