

trying to make this understandable for nonlawyers. What starts this whole process that Doug is interested in is something called the "security interest" and security interest is a written agreement in which you promise to repay a debt or a loan by giving the person who is loaning you money some rights that you have or access to some personal property that you own, or real property that you own. In other words, you trade in a written agreement, a written document, the fact that they are loaning you money and you, in turn, are promising them access to some of your property if you don't pay them back. When you make that promise that they can have access to your property, that is called a security interest. It requires a written agreement. It requires the extension of a loan or credit by the person who is going to take the security interest, and it requires that the person who is getting the loan, or getting the credit, have rights in some property that they are making accessible to the lender. People can do one of two things with these agreements, they can do something called attachment, or they can do something called perfection. In the attachment, they do this process between the two of them and then, basically, they don't tell the rest of the world. If they do it between the two of themselves, it is effective between the two of them, but nobody else in the world knows about it, so they are not bound by the agreement. So the law says, look, you can make this private arrangement effective so that all the rest of the world will have to know about it and live with the consequences and that is called perfection. Perfection is where you take away secured interest and you give notice in some way to the rest of the world so that they are bound by it as well. The most common way of doing that is to take this written instrument or notice of it and take it down to the courthouse and file it, so that some other lender, if they wanted to look and see if you had made promises about your couches and your sofas and your TVs and your stereos and everything else, could go through the records and discover you'd made promises about that property before. Security interest written agreement loan rights of property, attachment, where it is effective between the two parties, and perfection where it is effective against the whole world. The other part of this bill that is easily spoken of but it is hard to understand is the notion of an assignment. An assignment rises after two parties have made a contract. I am a landlord, Jim is my renter. We make a contract. I promise him access to the apartment, he promises me \$200 a month and we write a contract. That's a contract. Later I have got the expectation of getting \$200 a month from Jim. It is the benefit of the