

The U.C.C. is NOT a Defense for Most Debt Collection Cases

Fact and Fiction Regarding the Uniform Commercial Code

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Uniform Commercial Code (U.C.C.) and Debt Law – Fact and Fiction

The Uniform Commercial Code (UCC) offers no special protection from debt collection or debt collectors, and trying to use it that way will quickly lead to a judgment against defendants. Avoid this scam.

Introduction

There is an extremely vocal group of people who think that the U.C.C. offers special protections from debt collectors. They choose snippets of the text of the U.C.C. and highlight them in numerous videos on Youtube and in their other promotions, and they attack anyone who contradicts them. Like the (very similar) Strawman theory, however, the U.C.C. is a slender reed to support your hopes of avoiding or defeating creditors and debt collectors.

In fact, it does essentially nothing to help debt defendants. We'll discuss the U.C.C. and then tell you what you should be doing instead of tripping over strawmen.

What is the Uniform Commercial Code?

The U.C.C. is just a model of commercial legislation for state governments to use in designing their own commercial laws. In itself, it has no legal force whatsoever, but all the states have adopted some parts of it, so most of the provisions of the UCC are incorporated into various state

laws. Oddly enough, perhaps, the “Uniform” Commercial Code is NOT uniform – its drafters could not agree on every provision, and so there are competing provisions which are not the same, and thus state laws can vary on important parts of the commercial code.

Because of the federalized times we live in, and because most people confine their legal affairs to just one state, our daily lives rarely expose us to different state laws and their consequences. Still, state laws can differ both from state to state and from state to federal, and they often overlap in ways familiar to most lawyers (but out of the site of non-lawyers). The U.C.C. was designed to smooth out the way the laws overlap.

It all sounds non-controversial now, but at the time it was a big step towards protecting and encouraging interstate commerce, and in fact the U.C.C. was under construction at about the time the interstate highway system was developed.

How the UCC was Created

The U.C.C. was created by two nongovernmental legal organizations: The National Conference of Commissioners on Uniform State Laws, and the American Law Institute. The document, standing alone, has no legal authority or power at all.

This is not saying the UCC is not significant – just that it is a document created by a bunch of academics that has no independent force or impact on anybody. So why is the UCC a big deal? It’s a big deal because all the states have adopted some portions of it. The UCC was designed to help legislators bring order to what was there, not force them to have the same laws. Remember, legislatures make laws, not think tanks.

The parts of the U.C.C. that have become law in your state will be reflected in your state laws, and you should look for the law in your state laws and not the U.C.C. itself. When people say “the U.C.C. does this or that,” or “requires this or that,” they’re showing you they do not understand the law. Don’t look to these people to tell you how to beat the debt collectors. Likewise, since the portions of the UCC that were adopted are *just part* of your state law they do NOT trump other laws and have no special, magical power.

The UCC Was Created to Serve Businesses, not Consumers

The main concerns of the drafters of the U.C.C. were the rights and abilities of businesses in relation to each other. The drafters believed that a set of laws that made businesses more predictable and reduced conflict would benefit everyone, but their concern was with business, not consumer, protection. A mere glance at the document will prove the point – it defines “bills of lading” and discusses where legal responsibility and risk shift from party to party in commercial transactions and things like that rather than the issues that concern consumers.

Where the issues do have an impact on consumers, there are usually laws that override the U.C.C. and specify consumer rights.

There is almost no discussion of debt at all in the U.C.C. or in the state laws enacting it. Debt, and most particularly consumer debt, has primarily been addressed by a series of federal laws like, for example, the Truth in Lending Act and state laws based on these federal laws.

You CAN beat the debt collectors in many cases, and without even having to hire a lawyer - but your solutions will most often be in consumer protection laws like the Fair Debt Collection Practices Act or Fair Credit Reporting Act, or in the normal rules of the court.

We help you do that.

Your Legal Leg Up

[Your Legal Leg Up](#) is a website and business dedicated to helping people defend themselves from debt lawsuits without having to hire a lawyer. As you can see below, we have a number of products as well as memberships that should help you wherever you are in the process. In addition to that, our website is a resource for all. Many of the articles and materials are reserved for members, but many are available to everyone.

Products Related to this Article

We have no products related to this article because you the article addresses your fundamental approach to debt defense. You would probably find our memberships useful, however, and we have materials designed to address specific situations as they arise.

Memberships

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