A BILL FOR AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 3-15, 3-27, and 4-45, by adding a new section 231 to establish procedures for securing and perfecting liens on assets of the Corporation, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Title 21 of the Code of the Federated States of Micronesia is hereby further amended by the addition of a new section 231 to read as follows:

"Section 231. Liens.

(1) The Board of Directors is hereby empowered to secure its debts by the granting of a first lien on specified assets of the Corporation. A first lien shall have priority over all other liens against such assets whether derived by contract, statute, common law or custom.

(2) A first lien shall be perfected by the filing of the lien documentation with the Clerk of the Supreme Court of the Federated States of Micronesia in the State in which the asset is located.

(3) All subsequent creditors and lien holders shall be conclusively deemed to have constructive notice of such lien upon filing as set forth in subsection (2) of this section.

(4) The assets which may be pledged to secure debts of the Corporation include all revenue of the Corporation, all personal property and fixtures and real property to the extent permitted by the laws of the Federated States of Micronesia and the State in which the real property is located."
Section 2. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its becoming
law without such approval.

Date: 6/1/87

Introduced by: Nick Bossy