



## Change demands

If any details of a security interest are recorded incorrectly on the PPSR, the debtor (or other person with an interest in the collateral) has the right to ask them to be corrected.

In certain circumstances you can take the step of lodging a change demand. A change demand is where a debtor or other interested party demands registration of a financing change statement (to either amend or discharge the financing statement). This may be for one of several reasons given under section 162 of the Personal Property Securities Act 1999 (PPSA). The reasons include the following:

- all the obligations under the security agreement have been performed (e.g. the debtor has fully repaid the loan and the financing statement should be discharged)
- the secured party has agreed to release part or all of the collateral
- the collateral described in the financing statement includes an item that is not collateral in the security agreement
- no security agreement exists between the parties
- the security interest is extinguished in accordance with the PPSA.

## The basic steps in the change demand process

Before lodging a change demand, the debtor or a person with an interest in the collateral must first give written notice to the secured party of their demand.

If, after 15 working days, the secured party has not responded to this demand the debtor or interested party may then lodge a change demand on the Personal Property Securities Register.

The secured party has a further 15 working days to either:

- accept the change demand (online at [www.ppsr.govt.nz](http://www.ppsr.govt.nz)) or
  - obtain a court order to maintain the registration (Refer to sections 162 - 169 of the PPSA for information relating to obtaining that court order).
- otherwise the change demand will automatically be accepted.

## Definition of a “working day”

When you are undertaking the change demand process in the Personal Property Securities Register over the Christmas and New Year period you need to be aware of how the definition of “working day” in the Personal Property Securities Act 1999 affects the process in sections 162 and 165 of the Act. Section 165 states that a change demand may be entered into the Register if the secured party fails, within 15 working days, to either comply with the demand or produce a Court order maintaining the registration.

For the purposes of section 165, “working day” means a day in the period commencing on 25 December in any year, and ending with 15 January in the following year. This definition affects the time it takes to complete the change demand process over the Christmas and New Year period.

## Learn more about

### [Lodging a change demand - debtor or interested party](#)

Lodging a change demand is a serious action from which court action and considerable costs can arise. Debtors, and other parties with an interest in the collateral, are strongly advised to resolve issues directly with the secured party. Where this is not possible, seek legal advice before lodging a change demand.

## **Withdrawing a change demand - debtor or interested party**

If, after lodging a change demand, you decide that it is no longer required you can withdraw it quickly and easily.

## **Change demands - information for secured parties**

A change demand is where a debtor or other interested party demands registration of a financing change statement, to either amend or discharge a financing statement. In response, the secured party needs to decide whether to accept the change demand or to apply for a court order preventing the registration of a change.