BEAD Program
Technical Assistance Resource

UCC-1 Filing

Resource Version:

Version	Date
2	11/9/2026

Resource Details: Suggested language for UCC-1 filing and Information on Covenant of Purpose and UCC-1.

Category	Grant Agreements & Onboarding
Summary	Sections C8 and C9 of the BEAD Grant Agreement relate to the Covenant of Purpose and the Uniform Commercial Code form 1 (UCC-1), respectively. Section C9(1) was not included in the Grant Agreement. The NTIA suggested language for the UCC-1 filing is below for BEAD subrecipients to use as appropriate.
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Disclaimer: This document is intended solely to assist subrecipient in better understanding the Wisconsin BEAD program and associated policies/processes. This document does not supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the Grant Agreement. In all cases, statutory and regulatory mandates, the terms and conditions of the award, and NTIA policies and guidance shall prevail over any inconsistencies contained in this document.

The Federal Interest Period means the period during which the Subrecipient will hold in trust for the beneficiaries of the BEAD Program all Real Property, equipment, and intangible assets acquired or improved in connection with this Agreement. The Federal interest will continue for 10 years after the year in which that subgrant has been closed out in accordance with 2 CFR § 200.344. These requirements are outlined in Attachment C of your Grant Agreement. Note, federal interest requirements do not apply to Low Earth Orbit Capacity Subgrants. There are two types of filings related to documenting the federal interest in BEAD funded property: the UCC-1 form and the Covenant of Purpose, Use, and Ownership.

Grant Agreement Section C(9) - UCC-1 Filing

UCC-1 Filing & Attorneys' Certification

Under the BEAD program, all personal property, equipment, and certain fixtures purchased or improved with federal award funds must be held in trust for the project's benefit. NTIA retains an undivided equitable reversionary interest in that property for the duration of its useful life.

Type of Property a UCC-1 filing covers: Personal Property and Fixtures

NTIA Definitions (see UCC-1 Guidance for more information):

- 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.

2 CFR 200 Definition: CFR 200.1 Personal property means property **other than real property**. It may be tangible or intangible.

Subrecipients and their legal counsel are generally responsible for determining what is considered Personal Property for their projects.

When to file UCC-1 Filing & Attorney's Certification. Pursuant to 2 CFR § 200.316, after acquiring all or any portion of the equipment under this award, the Subrecipient shall properly file a UCC-1 with the appropriate State office where the equipment will be located in accordance with the State's Uniform Commercial Code (UCC). This security interest shall be executed in advance of any sale or lease and not later than 30 days prior to the closeout of the grant or subgrant. The subrecipient must provide documentation to the Commission within 15 calendar days of filing by uploading the UCC-1 form and Attachment A to the Grant System BEAD Project. In addition to the closeout the Commission may at any time during the period of performance require that a UCC-1 form be filed to account for any portion of the equipment acquired under the BEAD grant award.

The UCC filing(s) must include the below or substantively similar language providing public notice of the Federal interest in the equipment acquired with BEAD funding. Also, a clear and accurate inventory of the subject equipment must be attached to and filed with the UCC-1 as attachment A.

The UCC filing(s) must include the below or substantively similar language:

> *The Equipment set forth at Attachment A hereto was acquired with funding under a financial assistance award 55-20-B091-2 issued by the National Institute of Standards and Technology, U.S. Department of Commerce. As such, the U.S. Department of Commerce retains an undivided equitable reversionary interest (Federal interest) in the Equipment for 10 years after the end of the year in which the award is closed out in accordance with 2 CFR 200.344.*
>
> *NIST Award Number: 55-20-B091-2 Pursuant to 28 USC 1746, I hereby certify as follows:*
>
> *I am legal counsel at _____*
>
> *I am licensed to practice law in the State of _____ having been a license holder of said state and in good standing since _____. Attached hereto is a certified copy of UCC-1 form(s) reflecting that this document was filed in the _____on _____, 202x, bearing the following filing information [insert filing data, e.g., instrument number, etc.) and consists of _____ recorded pages as certified by the Secretary of State of _____.*
>
> *I certify that this UCC-1 form(s) has/have been validly executed and properly recorded as noted above. I certify under the penalty of perjury that the foregoing is true and correct.*
>
> *Executed on this day of _____.*
>
> *(Attorney name and title)*
>
> *(Address and phone number)*

In addition, during the estimated useful life of the [type of equipment, e.g. robotic equipment], the Grantee or Subgrantee is hereby authorized and directed by the Grants Officer to timely file any necessary UCC-3 continuation statements (or other filings) for the subject equipment consistent with the requirements set forth in this specific award condition. Copies of all filed UCC continuation statements, together with an Attorney's Certification, must be submitted to the PSC Grant System within 15 calendar days following each such filing. The UCC filing(s) and the accompanying Attorney's Certification(s) must be acceptable in form and in substance to the Commission, NTIA and the National Institute of Standards and Technology (NIST) Grants Officer.

Grant Agreement Section C(8) - Covenant of Purpose, Use and Ownership.

To document the federal interest in BEAD-funded Real Property, the Subrecipient must prepare and properly record a "Covenant of Purpose, Use and Ownership" (Covenant). The Covenant differs from a traditional mortgage lien in that it does not establish a traditional creditor relationship requiring the

periodic repayment of principal and interest to the Commission or NTIA. Rather, pursuant to the Covenant, the Subrecipient acknowledges that it holds title to the BEAD-funded property in trust for the public purposes of the BEAD Grant Award and agrees, among other commitments, that it will repay the federal interest if it disposes of or alienates an interest in the BEAD-funded property, or uses it in a manner inconsistent with the public purposes of the BEAD Grant Award, during the useful life of the BEAD-funded property. The Covenant must be properly recorded in the Real Property records in the jurisdiction in which the Real Property is located in order to provide public record notice to interested parties that there are certain restrictions on the use and disposition of the BEAD-funded property during its useful life and that NTIA retains an undivided equitable reversionary interest in the BEAD-funded property during the Federal Interest Period.

Type of Property that requires a Covenant: **Real Property**

> Real property refers to land, including land improvements, structures, and accessories thereto, and legal interests in land including fee interest, licenses, rights of way, and easements. **Real property excludes moveable machinery and equipment.**
>
> It is the responsibility of the subrecipient to make this determination with their legal counsel. For the purposes of broadband deployment, Real Property would likely be the actual infrastructure built – including but not limited to buried or arial fiber, towers (including improvements), and any easements or rights of way. Subrecipients are responsible for complying with the applicable laws and requirements and should consult legal counsel to ensure compliance

When to file Covenant of Purpose, Use and Ownership. The Subrecipient shall properly file a Covenant of Purpose, Use and Ownership with the appropriate State office where the real property is located. This Covenant shall be executed in advance of any sale or lease and not later than 30 days prior to the closeout of the grant or subgrant. The subrecipient must provide documentation to the Commission within 15 calendar days of filing by uploading to the PSC Grants System BEAD Project. In addition to the closeout, the Commission may at any time during the period of performance require that a Covenant of Purpose form be filed to account for any portion of the real property acquired under the BEAD grant award.

Additional Resources:

- BEAD General Terms and Conditions
- NTIA BEAD Uniform Commercial Code (UCC-1) Guidance
- Sample NIST Covenant of Purpose