

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.9622 Effect of acceptance of collateral.

Sec. 9622.

(1) A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures does all of the following:

- (a) Discharges the obligation to the extent consented to by the debtor.
- (b) Transfers to the secured party all of a debtor's rights in the collateral.
- (c) Discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien.
- (d) Terminates any other subordinate interest.

(2) A subordinate interest is discharged or terminated under subsection (1), even if the secured party fails to comply with this article.

History: Add. 2000, Act 348, Eff. July 1, 2001