

§5-1118. Security interest of issuer or nominated person

(1). An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation. [PL 1999, c. 699, Pt. B, §18 (NEW); PL 1999, c. 699, Pt. B, §28 (AFF).]

(2). So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (1), the security interest continues and is subject to Article 9-A, but:

(a). A security agreement is not necessary to make the security interest enforceable under section 9-1203, subsection (2), paragraph (c); [PL 1999, c. 699, Pt. B, §18 (NEW); PL 1999, c. 699, Pt. B, §28 (AFF).]

(b). If the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and [PL 1999, c. 699, Pt. B, §18 (NEW); PL 1999, c. 699, Pt. B, §28 (AFF).]

(c). If the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document. [PL 1999, c. 699, Pt. B, §18 (NEW); PL 1999, c. 699, Pt. B, §28 (AFF).]

[PL 1999, c. 699, Pt. B, §18 (NEW); PL 1999, c. 699, Pt. B, §28 (AFF).]

SECTION HISTORY

PL 1999, c. 699, §B18 (NEW). PL 1999, c. 699, §B28 (AFF).

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