

§9-1338. Priority of security interest or agricultural lien perfected by filed financing statement providing certain incorrect information

(CONTAINS TEXT WITH VARYING EFFECTIVE DATES)

If a security interest or agricultural lien is perfected by a filed financing statement providing information described in section 9-1516, subsection (2), paragraph (e) that is incorrect at the time the financing statement is filed: [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(1). The security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(2). (TEXT EFFECTIVE UNTIL 7/01/25) A purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of tangible chattel paper, tangible documents, goods, instruments or a security certificate, receives delivery of the collateral. [PL 2009, c. 324, Pt. B, §43 (AMD); PL 2009, c. 324, Pt. B, §48 (AFF).]

(2). (TEXT EFFECTIVE 7/01/25) A purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and:

(a). In the case of tangible documents, goods, instruments or a security certificate, receives possession or delivery of the collateral; and [RR 2023, c. 2, Pt. A, §19 (COR).]

(b). In the case of chattel paper, takes possession of each authoritative tangible copy of the record evidencing the chattel paper and obtains control of each authoritative electronic copy of the electronic record evidencing the chattel paper. [PL 2023, c. 669, Pt. A, §131 (NEW); PL 2023, c. 669, Pt. E, §1 (AFF).]

[RR 2023, c. 2, Pt. A, §19 (COR).]

SECTION HISTORY

PL 1999, c. 699, §A2 (NEW). PL 1999, c. 699, §A4 (AFF). PL 2009, c. 324, Pt. B, §43 (AMD). PL 2009, c. 324, Pt. B, §48 (AFF). PL 2023, c. 669, Pt. A, §131 (AMD). PL 2023, c. 669, Pt. E, §1 (AFF). RR 2023, c. 2, Pt. A, §19 (COR).

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