

**11 §9-1407. RESTRICTIONS ON CREATION OR
ENFORCEMENT OF SECURITY INTEREST IN LEASEHOLD
INTEREST OR IN LESSOR'S RESIDUAL INTEREST**

**11 §9-1407. RESTRICTIONS ON CREATION OR ENFORCEMENT OF
SECURITY INTEREST IN LEASEHOLD INTEREST OR IN LESSOR'S
RESIDUAL INTEREST**

(1). Except as otherwise provided in subsection (2), a term in a lease agreement is ineffective to the extent that it:

(a). Prohibits, restricts or requires the consent of a party to the lease to the assignment or transfer of, or the creation, attachment, perfection or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods; or [1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF).]

(b). Provides that the assignment or transfer or the creation, attachment, perfection or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination or remedy under the lease. [1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF).]

[1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF) .]

(2). Except as otherwise provided in section 2-1303, subsection (7), a term described in subsection (1), paragraph (b) is effective to the extent that there is:

(a). A transfer by the lessee of the lessee's right of possession or use of the goods in violation of the term; or [1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF).]

(b). A delegation of a material performance of either party to the lease contract in violation of the term. [1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF).]

[1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF) .]

(3). The creation, attachment, perfection or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of section 2-1303, subsection (4) unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the lessor.

[1999, c. 699, Pt. A, §2 (NEW); 1999, c. 699, Pt. A, §4 (AFF) .]

SECTION HISTORY

1999, c. 699, §A2 (NEW). 1999, c. 699, §A4 (AFF).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Special Session of the 124th Legislature, and is current through December 31, 2009, but is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.