

§9-1323. Future advances

(1). Except as otherwise provided in subsection (3), for purposes of determining the priority of a perfected security interest under section 9-1322, subsection (1), paragraph (a), perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

(a). Is made while the security interest is perfected only:

(i) Under section 9-1309 when it attaches; or

(ii) Temporarily under section 9-1312, subsection (5), (6) or (7); and [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). Is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under section 9-1309 or section 9-1312, subsection (5), (6) or (7). [RR 2021, c. 2, Pt. A, §18 (COR).]

[RR 2021, c. 2, Pt. A, §18 (COR).]

(2). Except as otherwise provided in subsection (3), a security interest is subordinate to the rights of a person that becomes a lien creditor only to the extent that the security interest secures an advance made more than 45 days after the person becomes a lien creditor unless the advance is made:

(a). Without knowledge of the lien; or [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). Pursuant to a commitment entered into without knowledge of the lien. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

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

(3). Subsections (1) and (2) do not apply to a security interest held by a secured party that is a buyer of accounts, chattel paper, payment intangibles or promissory notes or a consignor.

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

(4). Except as otherwise provided in subsection (5), a buyer of goods other than a buyer in ordinary course of business takes free of a security interest to the extent that it secures advances made after the earlier of:

(a). The time the secured party acquires knowledge of the buyer's purchase; or [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). Forty-five days after the purchase. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

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

(5). Subsection (4) does not apply if the advance is made pursuant to a commitment entered into without knowledge of the buyer's purchase and before the expiration of the 45-day period.

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

(6). Except as otherwise provided in subsection (7), a lessee of goods, other than a lessee in ordinary course of business, takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

(a). The time the secured party acquires knowledge of the lease; or [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). Forty-five days after the lease contract becomes enforceable. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

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

(7). Subsection (6) does not apply if the advance is made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the 45-day period.

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

SECTION HISTORY

PL 1999, c. 699, §A2 (NEW). PL 1999, c. 699, §A4 (AFF). RR 2021, c. 2, Pt. A, §18 (COR).

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