

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

SUBPART 2.
APPLICABILITY OF ARTICLE

440.9109 Scope.

Sec. 9109. (1) Except as otherwise provided in subsections (3) and (4), this article applies to all of the following:

(a) A transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract.

(b) An agricultural lien.

(c) A sale of accounts, chattel paper, payment intangibles, or promissory notes.

(d) A consignment.

(e) A security interest arising under section 2401, 2505, 2711(3), or 2A508(5), as provided in section 9110.

(f) A security interest arising under section 4210 or 5118.

(2) The application of this article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this article does not apply.

(3) This article does not apply to the extent that 1 or more of the following apply:

(a) A statute, regulation, or treaty of the United States preempts this article.

(b) Another statute of this state expressly governs the creation, perfection, priority, or enforcement of a security interest created by this state or a governmental unit of this state.

(c) A statute of another state, a foreign country, or a governmental unit of another state or foreign country, other than a statute generally applicable to security interests, expressly governs creation, perfection, priority, or enforcement of a security interest created by that state, country, or governmental unit.

(d) The rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under section 5114.

(4) This article does not apply to any of the following:

(a) A landlord's lien, other than an agricultural lien.

(b) A lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but section 9333 applies with respect to priority of the lien.

(c) An assignment of a claim for wages, salary, or other compensation of an employee.

(d) A sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose.

(e) An assignment of accounts, chattel paper, payment intangibles, or promissory notes that is for the purpose of collection only.

(f) An assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract.

(g) An assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness.

(h) A transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but sections 9315 and 9322 apply with respect to proceeds and priorities in proceeds.

(i) An assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral.

(j) A right of recoupment of set-off, but section 9340 applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts and section 9404 applies with respect to defenses or claims of an account debtor.

(k) The creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for 1 or more of the following:

(i) Liens on real property in sections 9203 and 9308.

(ii) Fixtures in section 9334.

(iii) Fixture filings in sections 9501, 9502, 9512, 9516, and 9519.

(iv) Security agreements covering personal and real property in section 9604.

(l) The creation of or transfer of an interest in or lien on a land contract mortgage governed by sections 6 through 11 of 1879 PA 237, MCL 565.356 to 565.361.

(m) A transfer by a governmental unit or governmental subdivision or agency.

(n) An assignment of a claim arising in tort, other than a commercial tort claim, but sections 9315 and 9322 apply with respect to proceeds and priorities in proceeds.

(o) An assignment of a deposit account in a consumer transaction, but sections 9315 and 9322 apply with respect to proceeds and priorities in proceeds.

History: 1962, Act 174, Eff. Jan. 1, 1964;—Am. 2000, Act 348, Eff. July 1, 2001.

440.9110 Security interests arising under article 2 or 2A.

Sec. 9110. A security interest arising under section 2401, 2505, 2711(3), or 2A508(5) is subject to this article. However, until the debtor obtains possession of the goods, all of the following apply:

(a) The security interest is enforceable, even if section 9203(2)(c) has not been satisfied.

(b) Filing is not required to perfect the security interest.

(c) The rights of the secured party after default by the debtor are governed by article 2 or 2A.

(d) The security interest has priority over a conflicting security interest created by the debtor.

History: 1962, Act 174, Eff. Jan. 1, 1964;—Am. 2000, Act 348, Eff. July 1, 2001.

440.9111 Repealed. 1998, Act 489, Imd. Eff. Jan. 4, 1999.

Compiler's note: The repealed section pertained to creation of security interest as bulk transfer.

440.9112-440.9116 Repealed. 2000, Act 348, Eff. July 1, 2001.

Compiler's note: The repealed sections pertained to collateral not owned by debtor, security interests arising under article on sales, consignment, attachment or perfection, and buyer obligations.