

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

SUBPART 4.
RIGHTS OF BANK

440.9340 Effectiveness of right of recoupment or setoff against deposit account.

Sec. 9340. (1) Except as otherwise provided in subsection (3), a bank with which a deposit account is maintained may exercise any right of recoupment or setoff against a secured party that holds a security interest in the deposit account.

(2) Except as otherwise provided in subsection (3), the application of this article to a security interest in a deposit account does not affect a right of recoupment or setoff of the secured party as to a deposit account maintained with the secured party.

(3) The exercise by a bank of a setoff against a deposit account is ineffective against a secured party that holds a security interest in the deposit account that is perfected by control under section 9104(1)(c), if the setoff is based on a claim against the debtor.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9341 Bank's rights and duties with respect to deposit account.

Sec. 9341. Except as otherwise provided in section 9340(3), and unless the bank otherwise agrees in an authenticated record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by 1 or more of the following:

- (a) The creation, attachment, or perfection of a security interest in the deposit account.
- (b) The bank's knowledge of the security interest.
- (c) The bank's receipt of instructions from the secured party.

History: Add. 2000, Act 348, Eff. July 1, 2001.

440.9342 Bank's right to refuse to enter into or disclose existence of control agreement.

Sec. 9342. This article does not require a bank to enter into an agreement of the kind described in section 9104(1)(b), even if its customer so requests or directs. A bank that has entered into such an agreement is not required to confirm the existence of the agreement to another person unless requested to do so by its customer.

History: Add. 2000, Act 348, Eff. July 1, 2001.