

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.9617 Rights of transferee of collateral.

Sec. 9617.

(1) A secured party's disposition of collateral after default does all of the following:

- (a) Transfers to a transferee for value all of the debtor's rights in the collateral.
- (b) Discharges the security interest under which the disposition is made.
- (c) Discharges any subordinate security interest or other subordinate lien.

(2) A transferee that acts in good faith takes free of the rights and interests described in subsection (1), even if the secured party fails to comply with this article or the requirements of any judicial proceeding.

(3) If a transferee does not take free of the rights and interests described in subsection (1), the transferee takes the collateral subject to all of the following:

- (a) The debtor's rights in the collateral.
- (b) The security interest or agricultural lien under which the disposition is made.
- (c) Any other security interest or other lien.

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