

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.9325 Priority of security interests in transferred collateral.

Sec. 9325.

(1) Except as otherwise provided in subsection (2), a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if all of the following are met:

- (a) The debtor acquired the collateral subject to the security interest created by the other person.
- (b) The security interest created by the other person was perfected when the debtor acquired the collateral.
- (c) There is no period thereafter when the security interest is unperfected.

(2) Subsection (1) subordinates a security interest only if the security interest otherwise would have priority solely under section 9322(1) or 9324, or arose solely under section 2711(3) or 2A508(5).

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