

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.9618 Rights and duties of certain secondary obligors.

Sec. 9618.

(1) A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after all of the following:

- (a) The secondary obligor receives an assignment of a secured obligation from the secured party.
 - (b) The secondary obligor receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party.
 - (c) The secondary obligor is subrogated to the rights of a secured party with respect to collateral.
- (2) An assignment, transfer, or subrogation described in subsection (1) results in both of the following:
- (a) It is not a disposition of collateral under section 9610.
 - (b) It relieves the secured party of further duties under this article.

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