UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.9205 Use or disposition of collateral permissible.

Sec. 9205.

(1) A security interest is not invalid or fraudulent against creditors solely because of either of the following:
(a) The debtor has the right or ability to do 1 or more of the following:
(i) Use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods.
(ii) Collect, compromise, enforce, or otherwise deal with collateral.
(iii) Accept the return of collateral or make repossessions.
(iv) Use, commingle, or dispose of proceeds.
(b) The secured party fails to require the debtor to account for proceeds or replace collateral.
(2) This section does not relax the requirements of possession if attachment, perfection, or enforcement or a security interest depends upon possession of the collateral by the secured party.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 1978, Act 369, Eff. Jan. 1, 1979 ;-- Am. 2000, Act 348, Eff. July 1, 2001