

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 8: INVESTMENT SECURITIES

§ 8321. Enforceability, Attachment, Perfection and Termination of Security Interests.

(1) A security interest in a security is enforceable and can attach only if it is transferred to the secured party or a person designated by him pursuant to a provision of 5 CMC § 8313(1).

(2) A security interest so transferred pursuant to agreement by a transferor who has rights in the security to a transferee who has given value is a perfected security interest, but a security interest that has been transferred solely under 5 CMC § 8313(1)(i) becomes unperfected after 21 days unless, within that time, the requirements for transfer under any other provision of 5 CMC § 8313(1) are satisfied.

(3) A security interest in a security is subject to the provisions of division 9 of this title [5 CMC § 9101 et seq.], but:

(a) No filing is required to perfect the security interest; and

(b) No written security agreement signed by the debtor is necessary to make the security interest enforceable, except as provided in 5 CMC § 8313(1)(h), (1)(i), or (1)(j). The secured party has the rights and duties provided under 5 CMC § 9207, to the extent they are applicable, whether or not the security is certificated, and if certificated, whether or not it is in his possession.

(4) Unless otherwise agreed, a security interest in a security is terminated by transfer to the debtor or a person designated by him pursuant to a provision of 5 CMC § 8313(1). If a security is thus transferred, the security interest, if not terminated, becomes unperfected unless the security is certificated and is delivered to the debtor for the purpose of ultimate sale or exchange or presentation, collection, renewal, or registration of transfer. In that case, the security interest becomes unperfected after 21 days unless, within that time, the security (or securities for which it has been exchanged) is transferred to the secured party or a person designated by him pursuant to a provision of 5 CMC § 8313(1).

Source: PL 3-56, § 1 (§ 8321).