

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 9: SECURED TRANSACTIONS, ETC.

§ 9203. Attachment and Enforceability of Security Interest; Proceeds; Formal Requisites.

(1) Subject to the provisions of 5 CMC § 4208 on the security interest of a collecting bank, 5 CMC § 8321 on security interests in securities and 5 CMC § 9113 on a securities interest arising under the division on sales [5 CMC § 2101 et seq.], a security interest is not enforceable against the debtor or third party with respect to the collateral and does not attach unless:

(a) The collateral is in the possession of the secured party pursuant to agreement, or the debtor has signed a security agreement which contains a description of the collateral and in addition, when the security interest covers crops growing or to be grown or timber to be cut, a description of the land concerned;

(b) Value has been given; and

(c) The debtor has rights in the collateral.

(2) A security interest attaches when it becomes enforceable against the debtor with respect to the collateral. Attachment occurs as soon as all of the events specified in subsection (1) of this section have taken place unless explicit agreement postpones the time of attaching.

(3) Unless otherwise agreed a security agreement gives the secured party the rights to proceeds provided by 5 CMC § 9306.

(4) A transaction, although subject to this division, is also subject to 33 TTC §§ 351-364 (Consumer Protection Act), and in the case of conflict between the provisions of this division and that statute, the provisions of that statute control. Failure to comply with any applicable statute has only the effect which is specified therein.

Source: PL 3-56, § 1 (§ 9203).

Commission Comment: The citation in subsection (4) of this section is to the Trust Territory Code (TTC).