

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

**§ 9505. Compulsory Disposition of Collateral; Acceptance of the Collateral as Discharge of Obligation.**

(1) If the debtor has paid 60 percent of the cash price in the case of a purchase money security interest in consumer goods or 60 percent of the loan in the case of another security interest in consumer goods, and has not signed after default a statement renouncing or modifying his rights under this chapter a secured party who has taken possession of collateral must dispose of it under 5 CMC § 9504 and if he fails to do so within 90 days after he takes possession the debtor at his option may recover in conversion or under 5 CMC § 9507(1) on secured party's liability.

(2) In any other case involving consumer goods or any other collateral a secured party in possession may, after default, propose to retain the collateral in satisfaction of the obligation. Written notice of such proposal shall be sent to the debtor if he has not signed after default a statement renouncing or modifying his rights under this subsection. In the case of consumer goods no other notice need be given. In other cases notice shall be sent to any other secured party from whom the secured party has received (before sending his notice to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. If the secured party receives objection in writing from a person entitled to receive notification within 21 days after the notice was sent, the secured party must dispose of the collateral under 5 CMC § 9504. In the absence of such written objection the secured party may retain the collateral in satisfaction of the debtor's obligation.

**Source:** PL 3-56, § 1 (§ 9505).