

554.9622 Effect of acceptance of collateral.

1. *Effect of acceptance.* A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:

- a. discharges the obligation to the extent consented to by the debtor;
- b. transfers to the secured party all of a debtor's rights in the collateral;
- c. discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and
- d. terminates any other subordinate interest.

2. *Discharge of subordinate interest notwithstanding noncompliance.* A subordinate interest is discharged or terminated under subsection 1, even if the secured party fails to comply with this Article.

2000 Acts, ch 1149, §120, 187