

CHAPTER 539

ASSIGNMENT OF ACCOUNTS AND NONNEGOTIABLE INSTRUMENTS

Referred to in §625.22, 631.14, 669.14

[P]  
Assignment of thing in action, R.C.P. 1.205

539.1	Assignment of nonnegotiable instruments.	539.4	Assignment of wages.
539.2	Assignment prohibited by instrument.	539.5	Priority.
539.3	Assignment of open account.	539.6	Assignor liable.
		539.7	through 539.15 Repealed by 65 Acts, ch 413, §10102.

**539.1 Assignment of nonnegotiable instruments.**

Bonds, due bills, and all instruments by which the maker promises to pay another, without words of negotiability, a sum of money, or by which the maker promises to pay a sum of money in property or labor, or to pay or deliver any property or labor, or acknowledges any money, labor, or property to be due, are assignable by endorsement on the instrument, or by other writing. The assignee, including a person who takes assignment for collection in the regular course of business, has a right of action on them in the assignee’s own name, subject to any defense or counterclaim which the maker or debtor had against an assignor of the instrument before notice of the assignment. In case of conflict between this section and section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405, section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405 controls.

[C51, §949; R60, §1796; C73, §2084; C97, §3044; C24, 27, 31, 35, 39, §9451; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.1; 82 Acts, ch 1235, §1]  
94 Acts, ch 1167, §4; 96 Acts, ch 1026, §17; 2000 Acts, ch 1149, §172, 187  
[P] Related provision, R.C.P. 1.205

**539.2 Assignment prohibited by instrument.**

When by the terms of an instrument its assignment is prohibited, an assignment thereof shall nevertheless be valid, but the maker may make use of any defense or counterclaim against the assignee which the maker may have against any assignor thereof before notice of such assignment is given to the maker in writing. In case of conflict between this section and section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405, section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405 controls.

[C51, §951; R60, §1798; C73, §2086; C97, §3046; C24, 27, 31, 35, 39, §9452; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.2]  
94 Acts, ch 1167, §5, 122; 96 Acts, ch 1026, §18; 2000 Acts, ch 1149, §173, 187  
Referred to in §539.3  
[P] Related provision, R.C.P. 1.205

**539.3 Assignment of open account.**

An open account of sums of money due on contract may be assigned. The assignee, including a person who takes assignment for collection in the regular course of business, has a right of action on the account in the assignee’s own name, subject to the defenses and counterclaims allowed against the instruments mentioned in section 539.2, before notice of the assignment is given to the debtor in writing by the assignee. In case of conflict, uniform commercial code, section 554.9404 or 554.9405, controls.

[C51, §952; R60, §1799; C73, §2087; C97, §3047; S13, §3047; C24, 27, 31, 35, 39, §9453; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.3; 82 Acts, ch 1235, §2]  
2000 Acts, ch 1149, §174, 187  
[P] Related provision, R.C.P. 1.205

**539.4 Assignment of wages.**

No sale or assignment, by the head of a family, of wages, whether the same be exempt from execution or not, shall be of any validity whatever unless the same be evidenced by a written instrument, and if married, unless the husband and wife sign and acknowledge the same

joint instrument before an officer authorized to take acknowledgments. Provided, however, that no such assignment or order shall be effective or binding upon the employer unless the employer has in writing agreed to accept and pay said assignment or order. This section shall not apply to a wage assignment by an employee to an organization which represents the employee in labor relations with the employee's employer.

[S13, §3047; C24, 27, 31, 35, 39, §9454; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.4]  
Referred to in §91A.3, 533.326

**539.5 Priority.**

Assignments of wages shall have priority and precedence in the order in which notice in writing of such assignments shall be given to the employer, and not otherwise.

[S13, §3047; C24, 27, 31, 35, 39, §9455; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.5]

**539.6 Assignor liable.**

The assignor of any of the above instruments not negotiable shall be liable to the action of the assignee without notice.

[C51, §956; R60, §1803; C73, §2088; C97, §3048; C24, 27, 31, 35, 39, §9456; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.6]

**539.7 through 539.15** Repealed by 65 Acts, ch 413, § 10102.