

**554.9313 When possession by or delivery to secured party perfects security interest without filing.**

1. *Perfection by possession or delivery.* Except as otherwise provided in [subsection 2](#), a secured party may perfect a security interest in tangible negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under [section 554.8301](#).

2. *Goods covered by certificate of title.* With respect to goods covered by a certificate of title issued by this state, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in [section 554.9316, subsection 4](#).

3. *Collateral in possession of person other than debtor.* With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

a. the person in possession authenticates a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

b. the person takes possession of the collateral after having authenticated a record acknowledging that it will hold possession of collateral for the secured party's benefit.

4. *Time of perfection by possession — continuation of perfection.* If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

5. *Time of perfection by delivery — continuation of perfection.* A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under [section 554.8301](#) and remains perfected by delivery until the debtor obtains possession of the security certificate.

6. *Acknowledgment not required.* A person in possession of collateral is not required to acknowledge that it holds possession for a secured party's benefit.

7. *Effectiveness of acknowledgment — no duties or confirmation.* If a person acknowledges that it holds possession for the secured party's benefit:

a. the acknowledgment is effective under [subsection 3](#) or [section 554.8301, subsection 1](#), even if the acknowledgment violates the rights of a debtor; and

b. unless the person otherwise agrees or law other than [this Article](#) otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

8. *Secured party's delivery to person other than debtor.* A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

a. to hold possession of the collateral for the secured party's benefit; or

b. to redeliver the collateral to the secured party.

9. *Effect of delivery under subsection 8 — no duties or confirmation.* A secured party does not relinquish possession, even if a delivery under [subsection 8](#) violates the rights of a debtor. A person to which collateral is delivered under [subsection 8](#) does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than [this Article](#) otherwise provides.

2000 Acts, ch 1149, §33, 185, 187; 2007 Acts, ch 30, §45, 46, 72

Referred to in [§554.9203](#), [§554.9308](#), [§554.9310](#), [§554.9311](#), [§554.9312](#), [§554.9316](#), [§554.9320](#), [§554.9328](#)

Rights and duties of secured party having possession or control of collateral, [§554.9207](#), [§554.9208](#)