

554.9334 Priority of security interests in fixtures and crops.

1. *Security interest in fixtures under this Article.* A security interest under [this Article](#) may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under [this Article](#) in ordinary building materials incorporated into an improvement on land.

2. *Security interest in fixtures under real property law.* [This Article](#) does not prevent creation of an encumbrance upon fixtures under real property law.

3. *General rule — subordination of security interest in fixtures.* In cases not governed by [subsections 4 through 8](#), a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

4. *Fixtures purchase-money priority.* Except as otherwise provided in [subsection 8](#), a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property and:

- a. the security interest is a purchase-money security interest;
- b. the interest of the encumbrancer or owner arises before the goods become fixtures; and
- c. the security interest is perfected by a fixture filing before the goods become fixtures or within twenty days thereafter.

5. *Priority of security interest in fixtures over interests in real property.* A perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if:

a. the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(1) is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and

(2) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

b. before the goods become fixtures, the security interest is perfected by any method permitted by [this Article](#) and the fixtures are readily removable:

(1) factory or office machines;

(2) equipment that is not primarily used or leased for use in the operation of the real property; or

(3) replacements of domestic appliances that are consumer goods;

c. the conflicting interest is a lien on the real property obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by [this Article](#); or

d. the security interest is:

(1) created in a manufactured home in a manufactured-home transaction; and

(2) perfected pursuant to a statute described in [section 554.9311](#), [subsection 1](#), paragraph “b”.

6. *Priority based on consent, disclaimer, or right to remove.* A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

a. the encumbrancer or owner has, in a signed record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

b. the debtor has a right to remove the goods as against the encumbrancer or owner.

7. *Continuation of subsection 6, paragraph “b”, priority.* The priority of the security interest under [subsection 6](#), paragraph “b”, continues for a reasonable time if the debtor’s right to remove the goods as against the encumbrancer or owner terminates.

8. *Priority of construction mortgage.* A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in [subsections 5 and 6](#), a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the

construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

9. *Priority of security interest in crops.* Except as provided in [subsection 10](#), a perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property.

10. *Agricultural liens prevail.* The provisions of [this Article](#) regarding agricultural liens prevail over any inconsistent provisions of [subsection 9](#).

[2000 Acts, ch 1149, §54, 187; 2024 Acts, ch 1023, §75](#)

Referred to in [§554.9109](#)