

554.9617 Rights of transferee of collateral.

1. *Effects of disposition.* A secured party's disposition of collateral after default:
 - a. transfers to a transferee for value all of the debtor's rights in the collateral;
 - b. discharges the security interest under which the disposition is made; and
 - c. discharges any subordinate security interest or other subordinate lien.
 2. *Rights of good-faith transferee.* A transferee that acts in good faith takes free of the rights and interests described in [subsection 1](#), even if the secured party fails to comply with [this Article](#) or the requirements of any judicial proceeding.
 3. *Rights of other transferee.* If a transferee does not take free of the rights and interests described in [subsection 1](#), the transferee takes the collateral subject to:
 - a. the debtor's rights in the collateral;
 - b. the security interest or agricultural lien under which the disposition is made; and
 - c. any other security interest or other lien.
- 2000 Acts, ch 1149, §115, 187