

**70A-5-118 Security interest of issuer or nominated person.**

- (1) An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation.
- (2) So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under Subsection (1), the security interest continues and is subject to Chapter 9a, Uniform Commercial Code - Secured Transactions, but:
  - (a) a security agreement is not necessary to make the security interest enforceable under Subsection 70A-9a-203(2)(c);
  - (b) if the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and
  - (c) if the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document.

Repealed and Re-enacted by Chapter 252, 2000 General Session