

70A-9a-205 Use or disposition of collateral permissible.

- (1) A security interest is not invalid or fraudulent against creditors solely because:
 - (a) the debtor has the right or ability to:
 - (i) use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods;
 - (ii) collect, compromise, enforce, or otherwise deal with collateral;
 - (iii) accept the return of collateral or make repossessions; or
 - (iv) use, commingle, or dispose of proceeds; or
 - (b) the secured party fails to require the debtor to account for proceeds or replace collateral.
- (2) This section does not relax the requirements of possession if attachment, perfection, or enforcement of a security interest depends upon possession of the collateral by the secured party.

Enacted by Chapter 252, 2000 General Session