

Cherokee Nation Code Annotated

Title 80: Uniform Commercial Code

Revised Article 9: Secured Transactions

Part 2. Effectiveness of Security Agreement, Attachment of Security Interest, Rights of Parties to Security Agreement

Subpart 1. Effectiveness and Attachment

§ 9–203. Attachment and enforceability of security interest—Proceeds—Supporting obligations—Formal requisites

Cite as: 80 CNCA § 9-203

Attachment and Enforceability of Security Interest—Proceeds—Supporting Obligations—
Formal Requisites

(a) **Attachment.** A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(b) **Enforceability.** Except as otherwise provided in subsections (c) through (i), a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(B) the collateral is not a certificated security and is in the possession of the secured party under 80 CNCA § 9–313 pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under 80 CNCA § 8–301 pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights, and the secured party has control under 80 CNCA § 9–104, 9–105, 9–106, or 9–107 pursuant to the debtor's security agreement.

(c) **Other UCC provisions.** Subsection (b) is subject to 80 CNCA § 4–210 on the security interest of a collecting bank, 80 CNCA § 5–118 on the security interest of a letter-of-credit issuer or nominated person, 80 CNCA § 9–110 on a security interest arising under Article 2 or 2A, and 80 CNCA 9–206 on security interests in investment property.

(d) **When person becomes bound by another person's security agreement.** A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this article or by contract:

(1) the security agreement becomes effective to create a security interest in the person's property, or

(2) the person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

(e) **Effect of new debtor becoming bound.** If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) the agreement satisfies subsection (b)(3) with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) another agreement is not necessary to make a security interest in the property enforceable.

(f) **Proceeds and supporting obligations.** The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by Section 9–315 and is also attachment of a security interest in a supporting obligation for the collateral.

(g) **Lien securing right to payment.** The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien.

(h) **Security entitlement carried in securities account.** The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

(i) **Commodity contracts carried in commodity account.** The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

Historical Data

LA 26-03, eff. October 2, 2003.