

Cherokee Nation Code Annotated
Title 80: Uniform Commercial Code
Revised Article 9: Secured Transactions
Part 6. Default

Subpart 2. Noncompliance with Article

§ 9-628. Nonliability and limitation on liability of secured party—Liability of secondary obligor

Cite as: 80 CNCA § 9-628

Nonliability and Limitation on Liability of Secured Party—Liability of Secondary Obligor

(a) Limitation of liability of secured party for noncompliance with article. Unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(1) the secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this article; and

(2) the secured party's failure to comply with this article does not affect the liability of the person for a deficiency.

(b) Limitation of liability based on status as secured party. A secured party is not liable because of its status as secured party:

(1) to a person that is a debtor or obligor, unless the secured party knows:

(A) that the person is a debtor or obligor;

(B) the identity of the person; and

(C) how to communicate with the person; or

(2) to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

(A) that the person is a debtor, and

(B) the identity of the person.

(c) Limitation of liability if reasonable belief that transaction not a consumer-goods transaction or consumer transaction. A secured party is not liable to any person, and a person's liability for a deficiency is not affected, because of any act or omission arising out of the secured party's reasonable belief that a transaction is not a consumer-goods

transaction or a consumer transaction or that goods are not consumer goods, if the secured party's belief is based on its reasonable reliance on:

(1) a debtor's representation concerning the purpose for which collateral was to be used, acquired, or held; or

(2) an obligor's representation concerning the purpose for which a secured obligation was incurred.

(d) Limitation of liability for statutory damages. A secured party is not liable to any person under 80 CNCA § 9–625(c)(2) for its failure to comply with 80 CNCA § 9–616.

(e) Limitation of multiple liability for statutory damages. A secured party is not liable under 80 CNCA § 9–625(c)(2) more than once with respect to any one (1) secured obligation.

Historical Data

LA 26–03, eff. October 2, 2003.