

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.2809 Power to accelerate payment or performance or require collateral; good faith.

Sec. 2A109.

(1) A term providing that 1 party or his or her successor in interest may accelerate payment or performance or require collateral or additional collateral "at will" or when he or she deems himself or herself insecure or in words of similar import must be construed to mean that he or she has power to do so only if he or she in good faith believes that the prospect of payment or performance is impaired.

(2) With respect to a consumer lease, the burden of establishing good faith under subsection (1) is on the party who exercised the power; otherwise, the burden of establishing lack of good faith is on the party against whom the power has been exercised.

History: Add. 1992, Act 101, Eff. Sept. 30, 1992