

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.9204 After-acquired property; future advances.

Sec. 9204.

(1) Except as otherwise provided in subsection (2), a security agreement may create or provide for a security interest in after-acquired collateral.

(2) A security interest does not attach under a term constituting an after-acquired property clause to either of the following:

(a) Consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within 10 days after the secured party gives value.

(b) A commercial tort claim.

(3) A security agreement may provide that collateral secures, or that accounts, chattel paper, payment intangibles, or promissory notes are sold in connection with, future advances or other value, whether or not the advances or value are given pursuant to commitment.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 1978, Act 369, Eff. Jan. 1, 1979 ;-- Am. 2000, Act 348, Eff. July 1, 2001