

**355.9-204 After-acquired property -- Future advances.**

- (1) Except as otherwise provided in subsection (2) of this section, a security agreement may create or provide for a security interest in after-acquired collateral.
- (2)
  - (a) Subject to paragraph (b) of this subsection, a security interest does not attach under a term constituting an after-acquired property clause to:
    1. Consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within ten (10) days after the secured party gives value; or
    2. A commercial tort claim.
  - (b) Paragraph (a) of this subsection does not prevent a security interest from attaching:
    1. To consumer goods as proceeds under KRS 355.9-315(1) or commingled goods under KRS 355.9-336(3);
    2. To a commercial tort claim as proceeds under KRS 355.9-315(1); or
    3. Under an after-acquired property clause to property that is proceeds of consumer goods or 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.

**Effective:** January 1, 2025

**History:** Amended 2024 Ky. Acts ch. 10, sec. 51, effective January 1, 2025. -- Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 34, effective July 1, 2001. -- Amended 1986 Ky. Acts ch. 118, sec. 61, effective July 1, 1987. -- Created 1958 Ky. Acts ch. 77, sec. 9-204, effective July 1, 1960.