

355.9-611 Notification before disposition of collateral. (Effective January 1, 2025)

- (1) In this section, "notification date" means the earlier of the date on which:
 - (a) A secured party sends to the debtor and any secondary obligor a signed notification of disposition; or
 - (b) The debtor and any secondary obligor waive the right to notification.
- (2) Except as otherwise provided in subsection (4) of this section, a secured party that disposes of collateral under KRS 355.9-610 shall send to the persons specified in subsection (3) of this section a reasonable signed notification of disposition.
- (3) To comply with subsection (2) of this section, the secured party shall send a signed notification of disposition to:
 - (a) The debtor;
 - (b) Any secondary obligor; and
 - (c) If the collateral is other than consumer goods:
 1. Any other person from which the secured party has received, before the notification date, a signed notification of a claim of an interest in the collateral;
 2. Any other secured party or lienholder that, ten (10) days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:
 - a. Identified the collateral;
 - b. Was indexed under the debtor's name as of that date; and
 - c. Was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and
 3. Any other secured party that, ten (10) days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in KRS 355.9-311(1).
- (4) Subsection (2) of this section does not apply if the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market.
- (5) A secured party complies with the requirement for notification prescribed by subsection (3)(c)2. of this section if:
 - (a) Not later than twenty (20) days or earlier than thirty (30) days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's name in the office indicated in subsection (3)(c)2. of this section; and
 - (b) Before the notification date, the secured party:
 1. Did not receive a response to the request for information; or
 2. Received a response to the request for information and sent a signed notification of disposition to each secured party or other lienholder named in that response whose financing statement covered the collateral.

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History: Amended 2024 Ky. Acts ch. 10, sec. 84, effective January 1, 2025. -- Created
2000 Ky. Acts ch. 408, sec. 129, effective July 1, 2001.