



Ohio Revised Code

Section 1309.313 When possession by or delivery to secured party perfects security interest without filing - UCC 9-313.

Effective: June 29, 2011

Legislation: House Bill 9 - 129th General Assembly

(A) Except as otherwise provided in division (B) of this section, a secured party may perfect a security interest in tangible negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under section 1308.27 of the Revised Code.

(B) With respect to goods covered by a certificate of title issued by this state, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in division (D) of section 1309.316 of the Revised Code.

(C) With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(1) The person in possession authenticates a record acknowledging that the person holds possession of the collateral for the secured party's benefit; or

(2) The person takes possession of the collateral after having authenticated a record acknowledging that the person will hold possession of collateral for the secured party's benefit.

(D) If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

(E) A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under section 1308.27 of the Revised Code and remains



perfected by delivery until the debtor obtains possession of the security certificate.

(F) A person in possession of collateral is not required to acknowledge that the person holds possession for a secured party's benefit.

(G) If a person acknowledges that the person holds possession for the secured party's benefit:

(1) The acknowledgment is effective under division (C) of this section or division (A) of section 1308.27 of the Revised Code, even if the acknowledgment violates the rights of a debtor; and

(2) Unless the person otherwise agrees or law other than this chapter otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

(H) A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

(1) To hold possession of the collateral for the secured party's benefit; or

(2) To redeliver the collateral to the secured party.

(I) A secured party does not relinquish possession, even if a delivery under division (H) of this section violates the rights of a debtor. A person to whom collateral is delivered under division (H) of this section does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this chapter otherwise provides.