



Ohio Revised Code

Section 1309.403 Agreement not to assert defenses against assignee - UCC 9-403.

Effective: July 1, 2001

Legislation: Senate Bill 74 - 124th General Assembly

(A) As used in this section, "value" has the same meaning as in division (A) of section 1303.33 of the Revised Code.

(B) Except as otherwise provided in this section, an agreement between an account debtor and an assignor not to assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:

(1) For value;

(2) In good faith;

(3) Without notice of a claim of a property or possessory right to the property assigned; and

(4) Without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under division (A) of section 1303.35 of the Revised Code.

(C) Division (B) of this section does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under division (B) of section 1303.34 of the Revised Code.

(D) In a consumer transaction, if a record evidences the account debtor's obligation, law other than this chapter requires that the record include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include the required statement:

(1) The record has the same effect as if the record included the required statement; and



(2) The account debtor may assert against an assignee those claims and defenses that would have been available if the record included the required statement.

(E) This section is subject to law other than this chapter that establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(F) Except as otherwise provided in division (D) of this section, this section does not displace law other than this chapter that gives effect to an agreement by an account debtor not to assert a claim or defense against an assignee.