



Ohio Revised Code

Section 1309.404 Rights acquired by assignee - claims and defenses against assignee - UCC 9-404.

Effective: October 06, 2026

Legislation: House Bill 195 - 136th General Assembly

Rights acquired by assignee; claims and defenses against assignee [UCC 9-404]

(A) Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to divisions (B) to (E) of this section, the rights of an assignee are subject to:

(1) All terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and

(2) Any other defense or claim of the account debtor against the assignor that accrues before the account debtor receives a notification of the assignment signed by the assignor or the assignee.

(B) Subject to division (C) of this section and except as provided in division (D) of this section, the claim of an account debtor against an assignor may be asserted against an assignee under division (A) of this section only to reduce the amount the account debtor owes.

(C) 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.

(D) In a consumer transaction, if a record evidences the account debtor's obligation, if law other than this chapter requires that the record include a statement to the effect that the account debtor's recovery against an assignee with respect to claims and defenses against the assignor may not exceed amounts paid by the account debtor under the record, and if the record does not include the required statement, the extent to which a claim of an account debtor against the assignor may be asserted against an assignee is determined as if the record included the required statement.

(E) This section does not apply to an assignment of a health-care-insurance receivable.
