



Ohio Revised Code

Section 1309.620 Acceptance of collateral in full or partial satisfaction of obligation - compulsory disposition of collateral - UCC 9-620.

Effective: October 06, 2026

Legislation: House Bill 195 - 136th General Assembly

Acceptance of collateral in full or partial satisfaction of obligation; compulsory disposition of collateral [UCC 9-620]

(A) Except as otherwise provided in division (G) of this section, a secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

- (1) The debtor consents to the acceptance under division (C) of this section;
- (2) The secured party, within the time prescribed in division (D) of this section, does not receive a notification of objection to the proposal signed by:
 - (a) A person to whom the secured party was required to send a proposal under section 1309.621 of the Revised Code; or
 - (b) Any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal.
- (3) If the collateral is consumer goods, the collateral is not in the possession of the debtor when the debtor consents to the acceptance; and
- (4) Division (E) of this section does not require the secured party to dispose of the collateral, or the debtor waives the requirement pursuant to section 1309.624 of the Revised Code.

(B) A purported or apparent acceptance of collateral under this section is not effective unless:

- (1) The secured party consents to the acceptance in a signed record or sends a proposal to the debtor; and
- (2) The conditions of division (A) of this section are met.

(C) For purposes of this section:

- (1) A debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record signed after default; and



(2) A debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default or the secured party:

(a) Sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

(b) In the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(c) Does not receive a notification of objection signed by the debtor within twenty days after the proposal is sent.

(D) To be effective under division (A)(2) of this section, a notification of objection must be received by the secured party:

(1) In the case of a person to whom the proposal was sent pursuant to section 1309.621 of the Revised Code, within twenty days after notification was sent to that person; and

(2) In the case of persons other than those described in division (D)(1) of this section:

(a) Within twenty days after the last notification was sent pursuant to section 1309.621 of the Revised Code; or

(b) If a notification was not sent, before the debtor consents to the acceptance under division (C) of this section.

(E) A secured party who has taken possession of collateral shall dispose of the collateral pursuant to section 1309.610 of the Revised Code within the time specified in division (F) of this section if:

(1) Sixty per cent of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or

(2) Sixty per cent of the principal amount of the obligation secured has been paid in the case of a non-purchase-money security interest in consumer goods.

(F) To comply with division (E) of this section, the secured party shall dispose of the collateral:

(1) Within ninety days after taking possession; or

(2) Within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and signed after default.



(G) In a consumer transaction, a secured party may not accept collateral in partial satisfaction of the obligation it secures.
