

HOUSE No. 30

So much of the recommendations of the Commission on Uniform State Laws (House, No. 26) as relates to adopting the uniform assignment of rents act. The Judiciary.

The Commonwealth of Massachusetts

—————
In the Year Two Thousand Thirteen
—————

An Act adopting the Uniform Assignment of Rents Act.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 4 of chapter 183 of the General Laws is hereby amended by deleting such
2 section and by substituting therefor the following:-

3 A conveyance of an estate in fee simple, fee tail or for life, or a lease for more than seven years
4 from the making thereof, or an assignment of rents from an estate or lease, shall not be valid as
5 against any person, except the grantor or lessor, his heirs and devisees and persons having actual
6 notice of it, unless it, or an office copy as provided in section thirteen of chapter thirty-six, or,
7 with respect to such a lease or an assignment of rents, a notice of lease, as hereinafter defined, or
8 a document creating an assignment of rents in accordance with chapter one hundred eighty-three
9 D, is recorded in the registry of deeds for the county or district in which the land to which it
10 relates lies. A “notice of lease”, as used in this section, shall mean an instrument in writing
11 executed by all persons who are parties to the lease of which notice is given and shall contain the
12 following information with reference to such lease:—the date of execution thereof and a
13 description, in the form contained in such lease, of the premises demised, and the term of such
14 lease, with the date of commencement of such term and all rights of extension or renewal.

15 SECTION 2. Section 26 of chapter 183 of the General Laws is hereby amended by
16 deleting such section and by substituting therefor the following:-

17 Until default in the performance or observance of the condition of a mortgage of real estate, the
18 mortgagor or his heirs and assigns may hold and enjoy the mortgaged premises, unless otherwise
19 stated in the mortgage, and may receive the rents and profits thereof except as provided in
20 chapter one hundred eighty-three D.

21 SECTION 3. The General Laws are hereby further amended by adding the following new
22 chapter 183D:-

23 CHAPTER 183D. UNIFORM ASSIGNMENT OF RENTS ACT

24 SECTION 1. SHORT TITLE. This chapter may be cited as the Uniform Assignment of Rents
25 Act.

26 SECTION 2. DEFINITIONS. In this chapter:

27 (1) "Assignee" means a person entitled to enforce an assignment of rents.

28 (2) "Assignment of rents" means a transfer of an interest in rents in connection with an
29 obligation secured by real property located in this state and from which the rents arise.

30 (3) "Assignor" means a person that makes an assignment of rents or the successor owner of the
31 real property from which the rents arise.

32 (4) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

33 (5) "Day" means calendar day.

34 (6) “Deposit account” means a demand, time, savings, passbook, or similar account maintained
35 with a bank, savings bank, savings and loan association, credit union, or trust company.

36 (7) “Document” means information that is inscribed on a tangible medium or that is stored on an
37 electronic or other medium and is retrievable in perceivable form.

38 (8) “Notification” means a document containing information that this chapter requires a person
39 to provide to another, signed by the person required to provide the information.

40 (9) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited
41 liability company, association, joint venture, public corporation, government, or governmental
42 subdivision, agency, or instrumentality, or any other legal or commercial entity.

43 (10) “Proceeds” means personal property that is received or collected on account of a tenant’s
44 obligation to pay rents.

45 (11) “Purchase” means to take by sale, lease, discount, negotiation, mortgage, pledge, lien,
46 security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in
47 property.

48 (12) “Rents” means:

49 (A) sums payable for the right to possess or occupy, or for the actual possession or occupation
50 of, real property of another person;

51 (B) sums payable to an assignor under a policy of rental interruption insurance covering real
52 property;

53 (C) claims arising out of a default in the payment of sums payable for the right to possess or
54 occupy real property of another person;

55 (D) sums payable to terminate an agreement to possess or occupy real property of another
56 person;

57 (E) sums payable to an assignor for payment or reimbursement of expenses incurred in owning,
58 operating and maintaining, or constructing or installing improvements on, real property; or

59 (F) any other sums payable under an agreement relating to the real property of another person
60 that constitute rents under law of this state other than this chapter.

61 (13) “Secured obligation” means an obligation the performance of which is secured by an
62 assignment of rents.

63 (14) “Security instrument” means a document, however denominated, that creates or provides
64 for a security interest in real property, whether or not it also creates or provides for a security
65 interest in personal property.

66 (15) “Security interest” means an interest in property that arises by agreement and secures
67 performance of an obligation.

68 (16) “Sign” means, with present intent to authenticate or adopt a document:

69 (A) to execute or adopt a tangible symbol; or

70 (B) to attach to or logically associate with the document an electronic sound, symbol, or process.

71 (17) “State” means a state of the United States, the District of Columbia, Puerto Rico, the United
72 States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the
73 United States.

74 (18) “Submit for recording” means to submit a document complying with applicable legal
75 standards, with required fees and taxes, to the appropriate governmental office under chapter 183
76 of the General Laws.

77 (19) “Tenant” means a person that has an obligation to pay sums for the right to possess
78 or occupy, or for possessing or occupying, the real property of another person.

79

80 SECTION 3. MANNER OF GIVING NOTIFICATION.

81 (a) Except as otherwise provided in subsections (c) and (d), a person gives a notification or a
82 copy of a notification under this chapter:

83 (1) by depositing it with the United States Postal Service or with a commercially reasonable
84 delivery service, properly addressed to the intended recipient’s address as specified in subsection
85 (b), with first-class postage or cost of delivery provided for; or

86 (2) if the recipient agreed to receive notification by facsimile transmission, electronic mail, or
87 other electronic transmission, by sending it to the recipient in the agreed manner at the address
88 specified in the agreement.

89 (b) The following rules determine the proper address for giving a notification under subsection

90 (a):

91 (1) A person giving a notification to an assignee shall use the address for notices to the assignee
92 provided in the document creating the assignment of rents, but, if the assignee has provided the
93 person giving the notification with a more recent address for notices, the person giving the
94 notification shall use that address.

95 (2) A person giving a notification to an assignor shall use the address for notices to the assignor
96 provided in the document creating the assignment of rents, but, if the assignor has provided the
97 person giving the notification with a more recent address for notices, the person giving the
98 notification shall use that address.

99 (3) If a tenant's agreement with an assignor provides an address for notices to the tenant and the
100 person giving notification has received a copy of the agreement or knows the address for notices
101 specified in the agreement, the person giving the notification shall use that address in giving a
102 notification to the tenant. Otherwise, the person shall use the address of the premises covered by
103 the agreement.

104 (c) If a person giving a notification pursuant to this chapter and the recipient have agreed to the
105 method for giving a notification, any notification must be given by that method.

106 (d) If a notification is received by the recipient, it is effective even if it was not given in
107 accordance with subsection (a) or (c).

108

109 SECTION 4. SECURITY INSTRUMENT CREATES ASSIGNMENT OF RENTS;
110 ASSIGNMENT OF RENTS CREATES SECURITY INTEREST.

111 (a) An enforceable security instrument creates an assignment of rents arising from the real
112 property described in the security instrument, unless the security instrument provides otherwise.

113 (b) An assignment of rents creates a presently effective security interest in all accrued
114 and unaccrued rents arising from the real property described in the document creating the
115 assignment, regardless of whether the document is in the form of an absolute assignment, an
116 absolute assignment conditioned upon default, an assignment as additional security, or any other
117 form. The security interest in rents is separate and distinct from any security interest held by the
118 assignee in the real property.

119

120 SECTION 5. RECORDATION; PERFECTION OF SECURITY INTEREST IN RENTS;
121 PRIORITY OF CONFLICTING INTERESTS IN RENTS.

122 (a) A document creating an assignment of rents may be submitted for recording in the registry of
123 deeds for the county or district in which the land to which the assignment relates in the same
124 manner as any other document evidencing a conveyance of an interest in real property.

125 (b) Upon recording, the security interest in rents created by an assignment of rents is fully
126 perfected, even if a provision of the document creating the assignment or law of this state other
127 than this chapter would preclude or defer enforcement of the security interest until the
128 occurrence of a subsequent event, including a subsequent default of the assignor, the assignee's
129 obtaining possession of the real property, or the appointment of a receiver.

130 (c) Except as otherwise provided in subsection (d), a perfected security interest in rents takes
131 priority over the rights of a person that, after the security interest is perfected:

132 (1) acquires a judicial lien against the rents or the real property from which the rents arise; or

133 (2) purchases an interest in the rents or the real property from which the rents arise.

134 (d) A perfected security interest in rents has priority over the rights of a person described in

135 subsection (c) with respect to future advances to the same extent as the assignee's security

136 interest in the real property has priority over the rights of that person with respect to future

137 advances.

138

139 SECTION 6. ENFORCEMENT OF SECURITY INTEREST IN RENTS.

140 (a) An assignee may enforce an assignment of rents using one or more of the methods specified

141 in Sections 7, 8, and 9 or any other method sufficient to enforce the assignment under law of this

142 state other than this chapter.

143 (b) From the date of enforcement, the assignee or, in the case of enforcement by appointment of

144 a receiver under Section 7, the receiver, is entitled to collect all rents that:

145 (1) have accrued but remain unpaid on that date; and

146 (2) accrue on or after that date, as those rents accrue.

147

148 SECTION 7. ENFORCEMENT BY APPOINTMENT OF RECEIVER.

149 (a) An assignee is entitled to the appointment of a receiver for the real property subject to the

150 assignment of rents if:

151 (1) the assignor is in default and:

152 (A) the assignor has agreed in a signed document to the appointment of a receiver in the event of

153 the assignor's default;

154 (B) it appears likely that the real property may not be sufficient to satisfy the secured obligation;

155 (C) the assignor has failed to turn over to the assignee proceeds that the assignee was entitled to

156 collect; or

157 (D) a subordinate assignee of rents obtains the appointment of a receiver for the real property; or

158 (2) other circumstances exist that would justify the appointment of a receiver under law of this

159 state other than this chapter.

160 (b) An assignee may file a petition for the appointment of a receiver in connection with an

161 action:

162 (1) to foreclose the security instrument;

163 (2) for specific performance of the assignment;

164 (3) seeking a remedy on account of waste or threatened waste of the real property subject to the

165 assignment; or

166 (4) otherwise to enforce the secured obligation or the assignee's remedies arising from the

167 assignment.

168 (c) An assignee that files a petition under subsection (b) shall also give a copy of the petition in
169 the manner specified in Section 3 to any other person that, 10 days before the date the petition is
170 filed, held a recorded assignment of rents arising from the real property.

171 (d) If an assignee enforces an assignment of rents under this section, the date of enforcement is
172 the date on which the court enters an order appointing a receiver for the real property subject to
173 the assignment.

174 (e) From the date of its appointment, a receiver is entitled to collect rents as provided in Section
175 6(b). The receiver also has the authority provided in the order of appointment and law of this
176 state other than this chapter.

177 (f) The following rules govern priority among receivers:

178 (1) If more than one assignee qualifies under this section for the appointment of a receiver, a
179 receivership requested by an assignee entitled to priority in rents under this chapter has priority
180 over a receivership requested by a subordinate assignee, even if a court has previously appointed
181 a receiver for the subordinate assignee.

182 (2) If a subordinate assignee obtains the appointment of a receiver, the receiver may collect the
183 rents and apply the proceeds in the manner specified in the order appointing the receiver until a
184 receiver is appointed under a senior assignment of rents.

185

186 SECTION 8. ENFORCEMENT BY NOTIFICATION TO ASSIGNOR.

187 (a) Upon the assignor's default, or as otherwise agreed by the assignor, the assignee may give
188 the assignor a notification demanding that the assignor pay over the proceeds of any rents that

189 the assignee is entitled to collect under Section 6. The assignee shall also give a copy of the
190 notification to any other person that, 10 days before the notification date, held a recorded
191 assignment of rents arising from the real property.

192 (b) If an assignee enforces an assignment of rents under this section, the date of enforcement is
193 the date on which the assignor receives a notification under subsection (a).

194 (c) An assignee's failure to give a notification under subsection (a) to any person holding a
195 recorded assignment of rents does not affect the effectiveness of the notification as to the
196 assignor, but the other person is entitled to any relief permitted under law of this state other than
197 this chapter.

198 (d) An assignee that holds a security interest in rents solely by virtue of Section 4(a) may not
199 enforce the security interest under this section while the assignor occupies the real property as
200 the assignor's primary residence.

201

202 SECTION 9. ENFORCEMENT BY NOTIFICATION TO TENANT.

203 (a) Upon the assignor's default, or as otherwise agreed by the assignor, the assignee may give to
204 a tenant of the real property a notification demanding that the tenant pay to the assignee all
205 unpaid accrued rents and all unaccrued rents as they accrue. The assignee shall give a copy of
206 the notification to the assignor and to any other person that, 10 days before the notification date,
207 held a recorded assignment of rents arising from the real property. The notification must be
208 signed by assignee and:

209 (1) identify the tenant, assignor, assignee, premises covered by the agreement between the
210 tenant and the assignor, and assignment of rents being enforced;

211 (2) provide the recording data for the document creating the assignment or other reasonable
212 proof that the assignment was made;

213 (3) state that the assignee has the right to collect rents in accordance with the assignment;

214 (4) direct the tenant to pay to the assignee all unpaid accrued rents and all unaccrued rents as
215 they accrue;

216 (5) describe the manner in which subsections (c) and (d) affect the tenant's payment obligations;

217 (6) provide the name and telephone number of a contact person and an address to which the
218 tenant can direct payment of rents and any inquiry for additional information about the
219 assignment or the assignee's right to enforce the assignment; and

220 (7) contain a statement that the tenant may consult a lawyer if the tenant has questions about its
221 rights and obligations.

222 (b) If an assignee enforces an assignment of rents under this section, the date of enforcement is
223 the date on which the tenant receives a notification substantially complying with subsection (a).

224 (c) Subject to subsection (d) and any other claim or defense that a tenant has under law of this
225 state other than this chapter, following receipt of a notification substantially complying with
226 subsection (a):

227 (1) a tenant is obligated to pay to the assignee all unpaid accrued rents and all unaccrued rents as
228 they accrue, unless the tenant has previously received a notification from another assignee of

229 rents given by that assignee in accordance with this section and the other assignee has not
230 canceled that notification;

231 (2) unless the tenant occupies the premises as the tenant's primary residence, a tenant that pays
232 rents to the assignor is not discharged from the obligation to pay rents to the assignee;

233 (3) a tenant's payment to the assignee of rents then due satisfies the tenant's obligation under the
234 tenant's agreement with the assignor to the extent of the payment made; and

235 (4) a tenant's obligation to pay rents to the assignee continues until the tenant receives a court
236 order directing the tenant to pay the rent in a different manner or a signed document from the
237 assignee canceling its notification, whichever occurs first.

238 (d) A tenant that has received a notification under subsection (a) is not in default for
239 nonpayment of rents accruing within 30 days after the date the notification is received before the
240 earlier of:

241 (1) 10 days after the date the next regularly scheduled rental payment would be due; or

242 (2) 30 days after the date the tenant receives the notification.

243 (e) Upon receiving a notification from another creditor that is entitled to priority under Section
244 5(c) that the other creditor has enforced and is continuing to enforce its interest in rents, an
245 assignee that has given a notification to a tenant under subsection (a) shall immediately give
246 another notification to the tenant canceling the earlier notification.

247 (f) An assignee's failure to give a notification under subsection (a) to any person holding a
248 recorded assignment of rents does not affect the effectiveness of the notification as to the

249 assignor and those tenants receiving the notification. However, the person entitled to the
250 notification is entitled to any relief permitted by law of this state other than this chapter.

251 (g) An assignee that holds a security interest in rents solely by virtue of Section 4(a) may not
252 enforce the security interest under this section while the assignor occupies the real property as
253 the assignor's primary residence.

254

255 SECTION 10. NOTIFICATION TO TENANT: FORM. No particular phrasing is required for
256 the notification specified in Section 9. However, the following form of notification, when
257 properly completed, is sufficient to satisfy the requirements of Section 9:

258 NOTIFICATION TO PAY RENTS TO PERSON OTHER THAN LANDLORD

259

260 Tenant:

261 Name of Tenant

262

263 Property Occupied by Tenant (the "Premises"):

264 Address

265

266 Landlord:

267 Name of landlord

268

269 Assignee:

270 Name of assignee

271

272 Address of Assignee and Telephone Number of Contact Person:

273

274

275 Address of assignee

276

277

278 Telephone number of person to contact

279

280 1. The Assignee named above has become the person entitled to collect

281

282 your rents on the Premises listed above under

283 Name of document

284 (the "Assignment of Rents") dated _____, and recorded at

285 Date Recording data

286 in the

287 Appropriate governmental office under the recording act of this state

288

289 You may obtain additional information about the Assignment of Rents and the

290

291 Assignee's right to enforce it at the address listed above.

292

293 2. The Landlord is in default under the Assignment of Rents. Under

294

295 the Assignment of Rents, the Assignee is entitled to collect rents from the Premises.

296

297 3. This notification affects your rights and obligations under the

298

299 agreement under which you occupy the Premises (your "Agreement"). In order to

300

301 provide you with an opportunity to consult with a lawyer, if your next scheduled

302

303 rental payment is due within 30 days after you receive this notification, neither the

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305 Assignee nor the Landlord can hold you in default under your Agreement for

306 nonpayment of that rental payment until 10 days after the due date of that payment

307

308 or 30 days following the date you receive this notification, whichever occurs first.

309

310 You may consult a lawyer at your expense concerning your rights and obligations

311

312 under your Agreement and the effect of this notification.

313

314 4. You must pay to the Assignee at the address listed above all rents

315

316 under your Agreement which are due and payable on the date you receive this

317

318 notification and all rents accruing under your Agreement after you receive this

319

320 notification. If you pay rents to the Assignee after receiving this notification, the

321

322 payment will satisfy your rental obligation to the extent of that payment.

323

324 5. Unless you occupy the Premises as your primary residence, if you

325

326 pay any rents to the Landlord after receiving this notification, your payment to the

327

328 Landlord will not discharge your rental obligation, and the Assignee may hold you

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330 liable for that rental obligation notwithstanding your payment to the Landlord.

331

332 6. If you have previously received a notification from another person

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334 that also holds an assignment of the rents due under your Agreement, you should

335

336 continue paying your rents to the person that sent that notification until that person

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338 cancels that notification. Once that notification is canceled, you must begin paying

339

340 rents to the Assignee in accordance with this notification.

341

342 7. Your obligation to pay rents to the Assignee will continue until you

343

344 receive either:

345

346 (a) a written order from a court directing you to pay the rent in a

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348 manner specified in that order; or

349 (b) written instructions from the Assignee canceling this notification.

350

351

352

353 Name of assignee

354

355

356 By: Officer/authorized agent of assignee

357

358 SECTION 11. EFFECT OF ENFORCEMENT. The enforcement of an assignment of rents by
359 one or more of the methods identified in Sections 7, 8, and 9, the application of proceeds by the
360 assignee under Section 12 after enforcement, the payment of expenses under Section 13, or an
361 action under Section 14(d) does not:

362 (1) make the assignee a mortgagee in possession of the real property;

363 (2) make the assignee an agent of the assignor;

364 (3) constitute an election of remedies that precludes a later action to enforce the secured
365 obligation;

366 (4) make the secured obligation unenforceable; or

367 (5) limit any right available to the assignee with respect to the secured obligation.

368

369 SECTION 12. APPLICATION OF PROCEEDS. Unless otherwise agreed, an assignee that
370 collects rents under this chapter or collects upon a judgment in an action under Section 14(d)
371 shall apply the sums collected in the following order to:

- 372 (1) the assignee's reasonable expenses of enforcing its assignment of rents, including, to the
373 extent provided for by agreement and not prohibited by law of this state other than this chapter,
374 reasonable attorney's fees and costs incurred by the assignee;
- 375 (2) reimbursement of any expenses incurred by the assignee to protect or maintain the real
376 property subject to the assignment;
- 377 (3) payment of the secured obligation;
- 378 (4) payment of any obligation secured by a subordinate security interest or other lien on the
379 rents if, before distribution of the proceeds, the assignor and assignee receive a notification from
380 the holder of the interest or lien demanding payment of the proceeds; and
- 381 (5) the assignor.

382

383 SECTION 13. APPLICATION OF PROCEEDS TO EXPENSES OF PROTECTING REAL
384 PROPERTY; CLAIMS AND DEFENSES OF TENANT.

- 385 (a) Unless otherwise agreed by the assignee, and subject to subsection (c), an assignee that
386 collects rents following enforcement under Section 8 or 9 need not apply them to the payment of
387 expenses of protecting or maintaining the real property subject to the assignment.
- 388 (b) Unless a tenant has made an enforceable agreement not to assert claims or defenses, the right
389 of the assignee to collect rents from the tenant is subject to the terms of the agreement between
390 the assignor and tenant and any claim or defense arising from the assignor's nonperformance of
391 that agreement.

392 (c) This chapter does not limit the standing or right of a tenant to request a court to appoint a
393 receiver for the real property subject to the assignment or to seek other relief on the ground that
394 the assignee's nonpayment of expenses of protecting or maintaining the real property has caused
395 or threatened harm to the tenant's interest in the property. Whether the tenant is entitled to the
396 appointment of a receiver or other relief is governed by law of this state other than this chapter.

397 SECTION 14. TURNOVER OF RENTS; COMMINGLING AND IDENTIFIABILITY OF
398 RENTS; LIABILITY OF ASSIGNOR.

399 (a) In this section, "good faith" means honesty in fact and the observance of reasonable
400 commercial standards of fair dealing.

401 (b) If an assignor collects rents that the assignee is entitled to collect under this chapter:

402 (1) the assignor shall turn over the proceeds to the assignee, less any amount representing
403 payment of expenses authorized by the assignee; and

404 (2) the assignee continues to have a security interest in the proceeds so long as they are
405 identifiable.

406 (c) For purposes of this chapter, cash proceeds are identifiable if they are maintained in a
407 segregated account or, if commingled with other funds, to the extent the assignee can identify
408 them by a method of tracing, including application of equitable principles, that is permitted under
409 law of this state other than this chapter with respect to commingled funds.

410 (d) In addition to any other remedy available to the assignee under law of this state other than
411 this chapter, if an assignor fails to turn over proceeds to the assignee as required by subsection

412 (b), the assignee may recover from the assignor in a civil action:

413 (1) the proceeds, or an amount equal to the proceeds, that the assignor was obligated to turn over
414 under subsection (b); and

415 (2) reasonable attorney's fees and costs incurred by the assignee to the extent provided for by
416 agreement and not prohibited by law of this state other than this chapter.

417 (e) The assignee may maintain an action under subsection (d) without bringing an action to
418 foreclose any security interest that it may have in the real property. Any sums recovered in the
419 action must be applied in the manner specified in Section 12.

420 (f) Unless otherwise agreed, if an assignee entitled to priority under Section 5(c) enforces its
421 interest in rents after another creditor holding a subordinate security interest in rents has enforced
422 its interest under Section 8 or 9, the creditor holding the subordinate security interest in rents is
423 not obligated to turn over any proceeds that it collects in good faith before the creditor receives
424 notification that the senior assignee has enforced its interest in rents. The creditor shall turn over
425 to the senior assignee any proceeds that it collects after it receives the notification.

426

427 SECTION 15. PERFECTION AND PRIORITY OF ASSIGNEE'S SECURITY INTEREST IN
428 PROCEEDS.

429 (a) In this section:

430 (1) "Article 9" means Article 9 of the Uniform Commercial Code as adopted in chapter 106 of
431 the General Laws or, to the extent applicable to any particular issue, Article 9 as adopted by the
432 state whose laws govern that issue under the choice-of-laws rules contained in Article 9 as
433 adopted by this state.

434 (2) “Conflicting interest” means an interest in proceeds, held by a person other than an assignee,
435 that is:

436 (A) a security interest arising under Article 9; or

437 (B) any other interest if Article 9 resolves the priority conflict between that person and a secured
438 party with a conflicting security interest in the proceeds.

439 (b) An assignee’s security interest in identifiable cash proceeds is perfected if its security
440 interest in rents is perfected. An assignee’s security interest in identifiable noncash proceeds is
441 perfected only if the assignee perfects that interest in accordance with Article 9.

442 (c) Except as otherwise provided in subsection (d), priority between an assignee’s security
443 interest in identifiable proceeds and a conflicting interest is governed by the priority rules in
444 Article 9.

445 (d) An assignee’s perfected security interest in identifiable cash proceeds is subordinate to a
446 conflicting interest that is perfected by control under Article 9 but has priority over a conflicting
447 interest that is perfected other than by control.

448

449 SECTION 16. PRIORITY SUBJECT TO SUBORDINATION. This chapter does not preclude
450 subordination by agreement as to rents or proceeds.

451

452 SECTION 17. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and
453 construing this uniform act, consideration must be given to the need to promote uniformity of the
454 law with respect to its subject matter among states that enact it.

455 SECTION 18. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND
456 NATIONAL COMMERCE ACT. This chapter modifies, limits, and supersedes the federal
457 Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001, et. seq.)
458 but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)) or
459 authorize electronic delivery of any of the notices described in Section 103(b) of that act (15
460 U.S.C. Section 7003(b)).

461 SECTION 19. APPLICATION TO EXISTING RELATIONSHIPS.

462 (a) Except as otherwise provided in this section, this chapter governs the enforcement of an
463 assignment of rents and the perfection and priority of a security interest in rents, even if the
464 document creating the assignment was signed and delivered before the effective date of this
465 chapter.

466 (b) This chapter does not affect an action or proceeding commenced before the effective date of
467 this chapter.

468 (c) Section 4(a) of this chapter does not apply to any security instrument signed and delivered
469 before the effective date of this chapter.

470 (d) This chapter does not affect:

471 (1) the enforceability of an assignee's security interest in rents or proceeds if, immediately
472 before the effective date of this chapter, that security interest was enforceable;

473 (2) the perfection of an assignee's security interest in rents or proceeds if, immediately before
474 the effective date of this chapter, that security interest was perfected; or

475 (3) the priority of an assignee's security interest in rents or proceeds with respect to the interest
476 of another person if, immediately before the effective date of this chapter, the interest of the
477 other person was enforceable and perfected, and that priority was established.