

524.3-809 SECURED CLAIMS.

Payment of a secured claim is upon the basis of the amount allowed if the creditor surrenders the security; otherwise payment is upon the basis of one of the following:

(1) if the creditor exhausts the security before receiving payment, unless precluded by other law, upon the amount of the claim allowed less the fair value of the security; or

(2) if the creditor does not have the right to exhaust the security or has not done so, upon the amount of the claim allowed less the value of the security determined by converting it into money according to the terms of the agreement pursuant to which the security was delivered to the creditor, or by the creditor and personal representative by agreement, arbitration, compromise or litigation.

History: *1975 c 347 s 58; 1986 c 444*