336.9-320 BUYER OF GOODS.

- (a) **Buyer in ordinary course of business.** Except as otherwise provided in subsection (e), a buyer in ordinary course of business, other than a person buying farm products from a person engaged in farming operations, takes free of a security interest created by the buyer's seller, even if the security interest is perfected and the buyer knows of its existence.
- (b) **Buyer of consumer goods.** Except as otherwise provided in subsection (e), a buyer of goods from a person who used or bought the goods for use primarily for personal, family, or household purposes takes free of a security interest, even if perfected, if the buyer buys:
 - (1) without knowledge of the security interest;
 - (2) for value;
 - (3) primarily for the buyer's personal, family, or household purposes; and
 - (4) before the filing of a financing statement covering the goods.
- (c) Effectiveness of filing for subsection (b). To the extent that it affects the priority of a security interest over a buyer of goods under subsection (b), the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by section 336.9-316(a) and (b).
- (d) **Buyer in ordinary course of business at wellhead or minehead.** A buyer in ordinary course of business buying oil, gas, or other minerals at the wellhead or minehead or after extraction takes free of an interest arising out of an encumbrance.
- (e) **Possessory security interest not affected.** Subsections (a) and (b) do not affect a security interest in goods in the possession of the secured party under section 336.9-313.

History: 2000 c 399 art 1 s 40