

§ 25-9-618. Rights and duties of certain secondary obligors.

(a) Rights and duties of secondary obligor. – A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after the secondary obligor:

- (1) Receives an assignment of a secured obligation from the secured party;
- (2) Receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party; or
- (3) Is subrogated to the rights of a secured party with respect to collateral.

(b) Effect of assignment, transfer, or subrogation. – An assignment, transfer, or subrogation described in subsection (a) of this section:

- (1) Is not a disposition of collateral under G.S. 25-9-610; and
- (2) Relieves the secured party of further duties under this Article. (1965, c. 700, s. 1; 1975, c. 862, s. 7; 2000-169, s. 1.)