

355.9-405 Modification of assigned contract.

- (1) A modification of or substitution for an assigned contract is effective against an assignee if made in good faith. The assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that the modification or substitution is a breach of contract by the assignor. This subsection is subject to subsections (2) to (4) of this section.
- (2) Subsection (1) of this section applies to the extent that:
 - (a) The right to payment or a part thereof under an assigned contract has not been fully earned by performance; or
 - (b) The right to payment or a part thereof has been fully earned by performance and the account debtor has not received notification of the assignment under KRS 355.9-406(1).
- (3) This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.
- (4) This section does not apply to an assignment of a health-care-insurance receivable.

Effective: July 1, 2001

History: Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 87, effective July 1, 2001. -- Amended 1998 Ky. Acts ch. 542, sec. 7, effective July 15, 1998. -- Amended 1988 Ky. Acts ch. 132, sec. 10, effective March 31, 1988. -- Amended 1986 Ky. Acts ch. 118, sec. 78, effective July 1, 1987. -- Amended 1978 Ky. Acts ch. 84, sec. 19, effective June 17, 1978. -- Amended 1962 Ky. Acts ch. 83, sec. 13. -- Created 1958 Ky. Acts ch. 77, sec. 9-405.