

355.9-340 Effectiveness of right of recoupment or set-off against deposit account.

- (1) Except as otherwise provided in subsection (3) of this section, a bank with which a deposit account is maintained may exercise any right of recoupment or set-off against a secured party that holds a security interest in the deposit account.
- (2) Except as otherwise provided in subsection (3) of this section, the application of this article to a security interest in a deposit account does not affect a right of recoupment or set-off of the secured party as to a deposit account maintained with the secured party.
- (3) The exercise by a bank of a set-off against a deposit account is ineffective against a secured party that holds a security interest in the deposit account which is perfected by control under KRS 355.9-104(1)(c), if the set-off is based on a claim against the debtor.

Effective: July 1, 2001

History: Created 2000 Ky. Acts ch. 408, sec. 80, effective July 1, 2001.