

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House
Passed Senate
Failed to Pass Senate

Senate File 384

February 26, 1947.
Passed on File.

By FAUL.

A BILL FOR

An Act to make financial assistance possible through assignment of accounts receivable and amounts due or to become due on open account or contracts, whether or not the debtors thereon are notified of such assignments, providing for the rights of such debtors and providing that non-notification shall not affect or impair such assignments.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Every written assignment made in good
2 faith, whether in the nature of a sale, pledge or other
3 transfer, of an account receivable or of an amount due
4 or to become due on an open account or on a contract,
5 all hereinafter called "account", with or without the
6 giving of notice of such assignment to the debtor,
7 shall be valid, legal and complete at the time of the
8 making of such assignment, and shall be deemed to have
9 been fully perfected at that time. Thereafter, no bona
10 fide purchaser from the assignor, no creditor of any
11 kind of the assignor, and no other assignee or transferee
12 of the assignor, in any event shall have, or be deemed
13 to have acquired, any right in the account so transferred
14 or in the proceeds thereof or in any obligation

15 substituted therefor, superior to the rights therein
16 of the assignee. In any case where, acting without
17 knowledge of such assignment, the debtor in good
18 faith pays all or part of such account to the
19 assignor, or to such creditor, subsequent purchaser,
20 or other assignee or transferee, such payment shall
21 be acquittance to the debtor to the extent thereof,
22 and such assignor, creditor, subsequent purchaser,
23 or other assignee or transferee, such payment shall
24 be acquittance to the debtor to the extent thereof,
25 and such assignor, creditor, subsequent purchaser,
26 or other assignee shall be a trustee of any sums so
27 paid and shall be accountable and liable to the
28 prior assignee therefor.

1 Sec. 2. Notwithstanding the provisions of any
2 general or special law, the provisions of this act
3 shall control, except as to transactions occurring
4 before this act takes effect, and except that this
5 act shall not be construed to alter or affect any
6 existing law with respect to the transfer of
7 negotiable instruments.