

2021 Kansas Statutes

84-9-340. Effectiveness of right of recoupment or set-off against deposit account. (a) Exercise of recoupment or set-off. Except as otherwise provided in subsection (c), 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.

(b) Recoupment or setoff not affected by security interest. Except as otherwise provided in subsection (c), 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.

(c) When set-off ineffective. 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 K.S.A. 2021 Supp. 84-9-104(a)(3), and amendments thereto, if the set-off is based on a claim against the debtor.

History: L. 2000, ch. 142, § 60; July 1, 2001.