A BILL FOR AN ACT

To amend section 921 of title 33 of the Code of the Federated States of Micronesia for the purpose of exempting certain security agreements by a State in favor of the National Government from the Personal Property Secured Transactions Law, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Section 921 of title 33 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 921. Application of subchapter. This subchapter shall apply to any agreement, regardless of its form, which is intended to give rights in personal property, including houses on land not owned individually or entirely by the party or parties purporting to give an interest in the house, as security for the performance of any obligation. Such agreements include, among others, pledges, conditional sales agreements, chattel mortgages, and leases under which ownership of personal property is to pass upon completion of the terms of the lease. Notwithstanding the foregoing, this subchapter shall not apply to any agreement creating rights in intangible personal property as security for the performance of any obligation under any loan from the National Government to a State of the Federated States of Micronesia."

Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 9/27/95

Introduced by: Joseph J. Urusemal (by request)
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