

§2-1109. Option to accelerate at will

(1). A term providing that one party or that party's successor in interest may accelerate payment of performance or require collateral or additional collateral "at will," "when the party represents that that party is insecure" or in words of similar import must be construed to mean that the party has power to do so only if the party in good faith believes that the prospect of payment or performance is impaired. [PL 1991, c. 805, §5 (NEW).]

(2). With respect to a consumer lease, the burden of establishing good faith under subsection (1) is on the party who exercised the power; otherwise the burden of establishing lack of good faith is on the party against whom the power has been exercised. [PL 1991, c. 805, §4 (NEW).]

SECTION HISTORY

PL 1991, c. 805, §4 (NEW).

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