

**TITLE 5: UNIFORM COMMERCIAL CODE**  
**DIVISION 1: GENERAL PROVISIONS**

**§ 1209. Subordinated Obligations.**

An obligation may be issued as subordinated to payment of another obligation of the person obligated, or a creditor may subordinate his right to payment of an obligation by agreement with either the person obligated or another creditor of the person obligated. Such a subordination does not create a security interest as against either the common debtor or a subordinated creditor. This section shall be construed as declaring the law as it existed prior to the enactment of this section and not as modifying it.

**Source:** PL 3-56, § 1 (§ 1209).