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**CIVIL CODE - CIV**

**DIVISION 3. OBLIGATIONS [1427 - 3273.69]** ( *Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.* )

**PART 1. OBLIGATIONS IN GENERAL [1427 - 1543]** ( *Part 1 enacted 1872.* )

**TITLE 4. EXTINCTION OF OBLIGATIONS [1473 - 1543]** ( *Title 4 enacted 1872.* )

**CHAPTER 5. Novation [1530 - [1533.]]** ( *Chapter 5 enacted 1872.* )

**1530.** Novation is the substitution of a new obligation for an existing one.

(*Enacted 1872.*)

**1531.** Novation is made:

1. By the substitution of a new obligation between the same parties, with intent to extinguish the old obligation;
2. By the substitution of a new debtor in place of the old one, with intent to release the latter; or,
3. By the substitution of a new creditor in place of the old one, with intent to transfer the rights of the latter to the former.

(*Enacted 1872.*)

**1532.** Novation is made by contract, and is subject to all the rules concerning contracts in general.

(*Enacted 1872.*)

**[1533.]** Section Fifteen Hundred and Thirty-three. When the obligation of a third person, or an order upon such person is accepted in satisfaction, the creditor may rescind such (such) acceptance if the debtor prevents such person from complying with the order, or from fulfilling the obligation; or if, at the time the obligation or order is received, such person is insolvent, and this fact is unknown to the creditor, or if, before the creditor can with reasonable diligence present the order to the person upon whom it is given, he becomes insolvent.

(*Amended by Code Amendments 1873-74, Ch. 612.*)