

1 (b) A customer is not liable for the amount of an overdraft if
2 the customer neither signed the item nor benefited from the proceeds
3 of the item.

4 (c) A bank may charge against the account of a customer a check
5 that is otherwise properly payable from the account, even though
6 payment was made before the date of the check, unless the customer
7 has given notice to the bank of the postdating describing the check
8 with reasonable certainty. The notice is effective for the period
9 stated in subsection (b) of Section 4-403 of this title for stop-
10 payment orders, and must be received at such time and in such manner
11 as to afford the bank a reasonable opportunity to act on it before
12 the bank takes any action with respect to the check described in
13 Section 4-303 of this title. If a bank charges against the account
14 of a customer a check before the date stated in the notice of
15 postdating, the bank is liable for damages for the loss resulting
16 from its act. The loss may include damages for dishonor or
17 subsequent items under Section 4-402 of this title.

18 (d) A bank that in good faith makes payment to a holder may
19 charge the indicated account of its customer according to:

- 20 (1) The original terms of the altered item; or
- 21 (2) The terms of the completed item, even though the bank
22 knows the item has been completed unless the bank has
23 notice that the completion was improper.

24

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 (e) The statute of limitations on a customer's claim that an
2 item charged against an account is not properly payable due to a
3 forged or unauthorized indorsement begins on the date the item is
4 finally paid by the bank, without regard to care or lack of care of
5 either the customer or the bank.

6 SECTION 2. This act shall become effective November 1, 2011.

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8 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM AND
9 FINANCIAL SERVICES, dated 03-23-2011 - DO PASS.

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