



Ohio Revised Code

Section 1303.54 Obligation of drawer - UCC 3-414.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

(A) This section does not apply to cashier's checks or other drafts drawn on the drawer.

(B) If an unaccepted draft is dishonored, the drawer is obliged to pay the draft in accordance with either of the following:

(1) According to its terms at the time it was issued or, if not issued, at the time it first came into possession of a holder;

(2) If the drawer signed an incomplete instrument, according to its terms when completed, to the extent required by sections 1303.11 and 1303.50 of the Revised Code.

The obligation is owed to a person entitled to enforce the draft or to an indorser who paid the draft under section 1303.55 of the Revised Code.

(C) If a draft is accepted by a bank, the drawer is discharged, regardless of when or by whom acceptance was obtained.

(D) If a draft is accepted and the acceptor is not a bank, the obligation of the drawer to pay the draft if the draft is dishonored by the acceptor is the same as the obligation of an indorser under division (A) and (C) of section 1303.55 of the Revised Code.

(E) If a draft states that it is drawn "without recourse" or otherwise disclaims liability of the drawer to pay the draft and the draft is not a check, the drawer is not liable under division (B) of this section to pay the draft. A disclaimer of the liability stated in division (B) of this section is not effective if the draft is a check.

(F) If a check is not presented for payment or given to a depository bank for collection within thirty days after its date, the drawee suspends payments after expiration of the thirty-day period without



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paying the check, and, because of the suspension of payments, the drawer is deprived of funds maintained with the drawee to cover payment of the check, the drawer to the extent deprived of funds may discharge its obligation to pay the check by assigning to the person entitled to enforce the check the rights of the drawer against the drawee with respect to the funds.
