



Ohio Revised Code

Section 1304.39 Responsibility of presenting bank for documents and goods - report of reasons for dishonor - referee in case of need - UCC 4-503.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

Unless otherwise instructed and except as provided in sections 1305.01 to 1305.16 of the Revised Code, both of the following apply to a bank presenting a documentary draft:

(A) The bank must deliver the documents to the drawee on acceptance of the draft if it is payable more than three days after presentment or only on payment if it is not payable more than three days after presentment.

(B) Upon dishonor, either in the case of presentment for acceptance or presentment for payment, the bank may seek and follow instructions from any referee in case of need designated in the draft or, if the presenting bank does not choose to utilize the referee's services, it shall use diligence and good faith to ascertain the reason for dishonor, shall notify its transferor of the dishonor and of the results of its effort to ascertain the reasons for the dishonor, and shall request instructions. However, the presenting bank is under no obligation with respect to goods represented by the documents except to follow any reasonable instructions seasonably received. It has a right to reimbursement for any expense incurred in following instructions and to prepayment of or indemnity for those expenses.
