



Ohio Revised Code

Section 1304.80 Creditor process served on receiving bank - setoff by beneficiary's bank - UCC 4A-502.

Effective: October 23, 1991

Legislation: House Bill 221 - 119th General Assembly

(A) As used in this section, "creditor process" means levy, attachment, garnishment, notice of lien, sequestration, or similar process issued by or on behalf of a creditor or other claimant with respect to an account.

(B) This division applies to creditor process with respect to an authorized account of the sender of a payment order if the creditor process is served on the receiving bank. For the purpose of determining rights regarding the creditor process, if the receiving bank accepts the payment order, the balance in the authorized account is deemed to be reduced by the amount of the payment order to the extent the bank did not otherwise receive payment of the order, unless the creditor process is served at a time and in a manner affording the bank a reasonable opportunity to act on it before the bank accepts the payment order.

(C) If a beneficiary's bank has received a payment order for payment to the beneficiary's account in the bank, all of the following apply:

(1) The bank may credit the beneficiary's account. The amount credited may be set off against an obligation owed by the beneficiary to the bank or may be applied to satisfy creditor process served on the bank regarding the account.

(2) The bank may credit the beneficiary's account and allow withdrawal of the amount credited unless creditor process with respect to the account is served at a time and in a manner affording the bank a reasonable opportunity to act to prevent withdrawal.

(3) If creditor process regarding the beneficiary's account has been served and the bank has had a reasonable opportunity to act on it, the bank may reject the payment order except for a reason unrelated to the service of process.



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(D) Creditor process regarding a payment by the originator to the beneficiary pursuant to a funds transfer may be served only on the beneficiary's bank regarding the debt owed by that bank to the beneficiary. Any other bank served with the creditor process is not obliged to act regarding the process.