

## Article - Commercial Law

[Previous][Next]

§14–1312.

(a) (1) In this section the following terms have the meanings indicated.

(2) “Acceptor” means a seller, lender, or credit grantor to whom a discharged check was originally issued.

(3) “Discharged check” means a check or other instrument that has been:

(i) Issued to a seller, lender, or credit grantor by a buyer or borrower in full or partial satisfaction of an underlying obligation; and

(ii) Reacquired by the buyer or borrower in his own right.

(b) (1) Notwithstanding any other provision of this article, if an acceptor requires a buyer or borrower to submit to the acceptor a discharged check, rather than a facsimile thereof, for the purpose of verifying the full or partial payment of the obligation for which the check was issued, the acceptor shall return the discharged check directly to the buyer or borrower when payment or nonpayment has been verified.

(2) An acceptor may not return the discharged check directly to the financial institution on which the discharged check was drawn if the check was submitted to the acceptor under the circumstances outlined in paragraph (1) of this subsection.

(c) The failure of an acceptor to return a discharged check directly to a buyer or borrower as provided in subsection (b) of this section shall make the acceptor liable to the buyer or borrower for:

(1) The amount of the check; and

(2) Any charges made against the buyer’s or borrower’s account by the financial institution on which the check was drawn if those charges are a direct result of the acceptor’s noncompliance with subsection (b) of this section.

[Previous][Next]