336.3-415 MS 1990 [Repealed, 1992 c 565 s 114]

336.3-415 OBLIGATION OF ENDORSER.

(a) Subject to subsections (b), (c), and (d) and to section 336.3-419(d), if an instrument is dishonored, an endorser is obliged to pay the amount due on the instrument (i) according to the terms of the instrument at the time it was endorsed, or (ii) if the endorser endorsed an incomplete instrument, according to its terms when completed, to the extent stated in sections 336.3-115 and 336.3-407. The obligation of the endorser is owed to a person entitled to enforce the instrument or to a subsequent endorser who paid the instrument under this section.

(b) If an endorsement states that it is made "without recourse" or otherwise disclaims liability of the endorser, the endorser is not liable under subsection (a) to pay the instrument.

(c) If notice of dishonor of an instrument is required by section 336.3-503 and notice of dishonor complying with that section is not given to an endorser, the liability of the endorser under subsection (a) is discharged.

(d) If a draft is accepted by a bank after an endorsement is made, the liability of the endorser under subsection (a) is discharged.

(e) If an endorser of a check is liable under subsection (a) and the check is not presented for payment, or given to a depositary bank for collection, within 30 days after the day the endorsement was made, the liability of the endorser under subsection (a) is discharged.

History: *1992 c 565 s 55*