



Ohio Revised Code

Section 1303.67 Payment - UCC 3-602.

Effective: April 6, 2017

Legislation: House Bill 463 - 131st General Assembly

(A) Subject to division (E) of this section, an instrument is paid to the extent payment is made by or on behalf of a party obliged to pay the instrument and to a person entitled to enforce the instrument.

(B)(1) Subject to division (E) of this section, a note is paid to the extent payment is made by or on behalf of a party obliged to pay the note to a person that formerly was entitled to enforce the note only if at the time of the payment the party obliged to pay has not received adequate notification that the note has been transferred and that payment is to be made to the transferee. A notification is adequate only if all of the following apply:

(a) It is signed by the transferor or the transferee.

(b) It reasonably identifies the transferred note.

(c) It provides an address at which payments subsequently are to be made.

(2) Upon request, a transferee shall seasonably furnish reasonable proof that the note has been transferred. Unless the transferee complies with the request, a payment to the person that formerly was entitled to enforce the note is effective for purposes of division (C) of this section even if the party obliged to pay the note has received a notification under division (B)(1) of this section.

(C) Subject to division (E) of this section, to the extent of a payment under divisions (A) and (B) of this section, the obligation of the party obliged to pay the instrument is discharged even though payment is made with knowledge of a claim to the instrument under section 1303.36 of the Revised Code by another person.

(D) Subject to division (E) of this section, a transferee, or any party that has acquired rights in the instrument directly or indirectly from a transferee, including any such party that has rights as a holder in due course, is deemed to have notice of any payment that is made under division (B) of this



section after the date that the note is transferred to the transferee but before the party obliged to pay the note received adequate notification of the transfer.

(E) The obligation of a party to pay the instrument is not discharged under division (A), (B), (C), or (D) of this section under either of the following circumstances:

(1) A claim to the instrument under section 1303.36 of the Revised Code is enforceable against the party receiving payment and either of the following applies:

(a) Payment is made with knowledge by the payor that payment is prohibited by injunction or similar process of a court of competent jurisdiction.

(b) In the case of an instrument other than a cashier's check, teller's check, or certified check, the party making payment accepted, from the person having a claim to the instrument, indemnity against loss resulting from refusal to pay the person entitled to enforce the instrument.

(2) The person making payment knows that the instrument is a stolen instrument and pays a person it knows is in wrongful possession of the instrument.

(F) As used in this section, "signed," with respect to a record that is not a writing, includes the attachment to or logical association with the record of an electronic symbol, sound, or process with the present intent to adopt or accept the record.