



Ohio Revised Code

Section 1304.30 When bank may charge customer's account - UCC 4-401.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

(A) A bank may charge against the account of a customer an item that is properly payable from that account even though the charge creates an overdraft. An item is properly payable if it is authorized by the customer and is in accordance with any agreement between the customer and bank.

(B) A customer is not liable for the amount of an overdraft if the customer neither signed the item nor benefited from the proceeds of the item.

(C) A bank may charge against the account of a customer a check that is otherwise properly payable from the account, even though the payment was made before the date of the check, unless the customer has given notice to the bank of the postdating and describes the check with reasonable certainty. The notice is effective for the period stated in division (B) of section 1304.32 of the Revised Code for stop payment orders and must be received at a time and in a manner that affords the bank a reasonable opportunity to act on it before the bank takes any action with respect to the check described in section 1304.29 of the Revised Code. If a bank charges against the account of a customer a check before the date stated in the notice of postdating, the bank is liable for damages for the loss resulting from its act. The loss may include damages for dishonor of subsequent items under section 1304.31 of the Revised Code.

(D) A bank that in good faith makes payment to a holder may charge the indicated account of its customer according to either of the following:

(1) Original terms of the altered item;

(2) The terms of the completed item, even though the bank knows the item has been completed unless the bank has notice that the completion was improper.
