



Ohio Revised Code

Section 1304.74 Obligation of sender to pay receiving bank - UCC 4A-402.

Effective: October 23, 1991

Legislation: House Bill 221 - 119th General Assembly

(A) This section is subject to sections 1304.60 and 1304.62 of the Revised Code.

(B) With respect to a payment order issued to the beneficiary's bank, acceptance of the order by the bank obliges the sender to pay the bank the amount of the order, but payment is not due until the payment date of the order.

(C) This division is subject to division (E) of this section and to section 1304.70 of the Revised Code. With respect to a payment order issued to a receiving bank other than the beneficiary's bank, acceptance of the order by the receiving bank obliges the sender to pay the bank the amount of the sender's order. Payment by the sender is not due until the execution date of the sender's order. The obligation of that sender to pay its payment order is excused if the funds transfer is not completed by acceptance by the beneficiary's bank of a payment order instructing payment to the beneficiary of that sender's payment order.

(D) If the sender of a payment order pays the order and was not obliged to pay all or part of the amount paid, the bank receiving payment shall refund payment to the extent the sender was not obliged to pay. Except as provided in sections 1304.59 and 1304.71 of the Revised Code, interest is payable on the refundable amount from the date of payment.

(E) If a funds transfer is not completed as stated in division (C) of this section and an intermediary bank is obliged to refund payment as stated in division (D) of this section but is unable to do so because not permitted by applicable law or because the bank suspends payments, a sender in the funds transfer that executed a payment order in compliance with an instruction, as provided in division (A)(1) of section 1304.69 of the Revised Code, to route the funds transfer through that intermediary bank may receive or retain payment from the sender of the payment order that it accepted. The first sender in the funds transfer that issued an instruction requiring routing through that intermediary bank is subrogated to the right of the bank that paid the intermediary bank to refund as provided in division (D) of this section.



(F) The right of the sender of a payment order to be excused from the obligation to pay the order as provided in division (C) of this section or to receive refund under division (D) of this section may not be varied by agreement.