

**TITLE 5: UNIFORM COMMERCIAL CODE**  
**DIVISION 4: BANK DEPOSITS AND COLLECTIONS**

**§ 4302. Payor Bank's Responsibility for Late Return of Item.**

In the absence of a valid defense such as breach of a presentment warranty (5 CMC § 4207(1)), settlement effected or the like, if an item is presented on and received by a payor bank the bank is accountable for the amount of:

(a) A demand item other than a documentary draft whether properly payable or not if the bank, in any case where it is not also the depository bank, retains the item beyond midnight of the banking day of receipt without settling for it or, regardless of whether it is also the depository bank, does not pay or return the item or send notice of dishonor until after its midnight deadline; or

(b) Any other properly payable item unless within the time allowed for acceptance or payment of that item the bank either accepts or pays the item or returns it and accompanying documents.

**Source:** PL 3-56, § 1 (§ 4302).