

CHAPTER III—Consideration of Negotiable Instruments.

1904, art. 13, sec. 43. 1898, ch. 119.

43. Every negotiable instrument is deemed *prima facie* to have been issued for a valuable consideration; and every person whose signature appears thereon to have become a party thereto for value.

In a suit by an endorsee on a promissory note where a plea alleges the execution and delivery of the note to the payee, and sets up an agreement between the maker and the payee that the note was not to be negotiated, and that the endorsee took the note with a knowledge of this agreement, the plea is defective in view of this section and section 45. *Black v. Bank of Westminster*, 96 Md. 416.

Ibid. sec. 44. 1898, ch. 119.

44. Value is any consideration sufficient to support a simple contract. An antecedent or pre-existing debt constitutes value; and it is deemed such whether the instrument is payable on demand or at a future time.

Ibid. sec. 45. 1898, ch. 119.

45. Where value has at any time been given for the instrument, the holder is deemed a holder for value in respect to all parties who became such prior to that time.

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Ibid. sec. 46. 1898, ch. 119.

46. Where the holder has a lien on the instrument arising either from contract or by implication of law, he is deemed a holder for value to the extent of his lien.

Ibid. sec. 47. 1898, ch. 119.

47. Absence or failure of consideration is matter of defense against any person not a holder in due course; and partial failure of consideration is a defense *pro tanto*, whether the failure is an ascertained and liquidated amount or otherwise.

This section applied. *Burke v. Smith*, 111 Md. 627.

Ibid. sec. 48. 1898, ch. 119.

48. An accommodation party is one who has signed the instrument as maker, drawer, acceptor or indorser, without receiving value therefor, and for the purpose of lending his name to some other person. Such a person is liable on the instrument to a holder for value, notwithstanding such holder at the time of taking the instrument knew him to be only an accommodation party.

The last sentence of this section applied. *Weant v. Southern Trust Co.*, 112 Md. 471. *Black v. Bank of Westminster*, 96 Md. 417. See also, *Schwartz v. Wilmer*, 90 Md. 141.