77. In the hands of any holder other than a holder in due course, a negotiable instrument is subject to the same defenses as if it were non-negotiable. But a holder who derives his title through a holder in due course, and who is not himself a party to any,fraud or illegality affecting the instrument, has all the rights of such former holder in respect of all parties prior to the latter.

Black *v.* Bank of Westminster, 96 Md. 416.

78. Every holder is deemed *prima facie* to be a holder in due course; but when it is shown that the title of any person who has negotiated the instrument was defective, the burden is on the holder to prove that he or some person under whom he claims, acquired the title as a holder in due course. But the last mentioned rule does not apply in favor of a party who became bound on the instrument prior to the acquisition of such defective title.

CHAPTER VI—Liabilities of Parties.

79. The maker of a negotiable instrument, by making it, engages that he will pay it according to its tenor; and admits the existence of the payee and his then capacity to indorse.

80. The drawer by drawing the instrument admits the existence of the payee and his then capacity to indorse, and engages that on due presentment, the instrument will be accepted or paid, or both, according to its tenor, and that if it be dishonored, and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder, or to any subsequent indorser who may be compelled to pay it. But the drawer may insert in the instrument an express stipulation negativing or limiting his own liability to the holder.

81. The acceptor, by accepting the instrument, engages that he will pay it according to the tenor of his. acceptance; and admits:

1. The existence of the drawer, the genuineness of his signature, and his capacity and authority to draw the instrument; and

2. The existence of the payee and his then capacity to indorse.

82. A person placing his signature upon an instrument otherwise than as maker, drawer, or acceptor is deemed to be