

for the item, comes too late to so terminate, suspend or modify such right or duty if the knowledge, notice, stop-order or legal process is received or served and a reasonable time for the bank to act thereon expires or the set-off is exercised after the bank has done any of the following:

(a) Accepted or certified the item;

(b) Paid the item in cash;

(c) Settled for the item without reserving a right to revoke the settlement and without having such right under statute, clearing house rule or agreement;

(d) Completed the process of posting the item to the indicated account of the drawer, maker or other person to be charged therewith or otherwise has evidenced by examination of such indicated account and by action its decision to pay the item; or

(e) Become accountable for the amount of the item under subsection (1) (d) of § 4-213 and § 4-302 dealing with the payor bank's responsibility for late return of items.

(2) Subject to the provisions of subsection (1) items may be accepted, paid, certified or charged to the indicated account of its customer in any order convenient to the bank.

SUBTITLE 4. RELATIONSHIP BETWEEN PAYOR BANK AND ITS CUSTOMER.

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

(1) As against its customer, a bank may charge against his account any item which is otherwise properly payable from that account even though the charge creates an overdraft.

(2) A bank which in good faith makes payment to a holder may charge the indicated account of its customer according to

(a) The original tenor of his altered item;

or

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

4-402. Bank's liability to customer for wrongful dishonor.