

apply to certain credit or loan obligations; providing for a certain notice to be sent by the holder to the maker or drawer of a dishonored check; providing for the form of the notice; providing that this Act shall constitute an alternative right of recourse; and generally relating to the presentment and dishonor of commercial paper.

BY adding to

Article - Commercial Law
Section 3-512, 3-513, and 3-514
Annotated Code of Maryland
(1975 Volume and 1985 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

3-512.

(1) WHEN A CHECK OR OTHER INSTRUMENT HAS BEEN DISHONORED BY NONACCEPTANCE OR NONPAYMENT AND HAS NOT BEEN PAID WITHIN 10 DAYS, THE HOLDER TO WHOM THE CHECK OR OTHER INSTRUMENT WAS ISSUED MAY SEND A NOTICE OF DISHONOR TO THE MAKER OR DRAWER AS PROVIDED UNDER THIS SECTION.

(2) THE MAKER OR DRAWER OF A CHECK OR OTHER INSTRUMENT THAT HAS BEEN DISHONORED SHALL BE LIABLE FOR A COLLECTION FEE OF \$10 \$25.

3-513.

(1) A NOTICE OF DISHONOR SENT BY A HOLDER TO A MAKER OR DRAWER UNDER § 3-512 OF THIS SUBTITLE SHALL SUBSTANTIALLY COMPLY WITH THE FOLLOWING FORM:

"NOTICE OF DISHONORED CHECK

DATE _____
NAME OF ISSUER _____
STREET ADDRESS _____
CITY AND STATE _____

YOU ARE ACCORDING TO LAW HEREBY NOTIFIED THAT A CHECK OR INSTRUMENT NUMBERED _____ AND DATED _____, 19 __, DRAWN ON THE _____ BANK OF _____ IN THE AMOUNT OF _____ HAS BEEN RETURNED UNPAID WITH THE NOTATION THE PAYMENT HAS BEEN REFUSED BECAUSE OF _____. WITHIN 10 DAYS FROM THE MAILING OF THIS NOTICE, YOU MUST PAY OR TENDER TO

(HOLDER)