

ASSERTING THE ALTERATION OR THE FORGERY AGAINST A PERSON WHO, IN GOOD FAITH, PAYS THE INSTRUMENT OR TAKES IT FOR VALUE OR FOR COLLECTION.

(B) UNDER SUBSECTION (A), IF THE PERSON ASSERTING THE PRECLUSION FAILS TO EXERCISE ORDINARY CARE IN PAYING OR TAKING THE INSTRUMENT AND THAT FAILURE SUBSTANTIALLY CONTRIBUTES TO LOSS, THE LOSS IS ALLOCATED BETWEEN THE PERSON PRECLUDED AND THE PERSON ASSERTING THE PRECLUSION ACCORDING TO THE EXTENT TO WHICH THE FAILURE OF EACH TO EXERCISE ORDINARY CARE CONTRIBUTED TO THE LOSS.

(C) UNDER SUBSECTION (A), THE BURDEN OF PROVING FAILURE TO EXERCISE ORDINARY CARE IS ON THE PERSON ASSERTING THE PRECLUSION. UNDER SUBSECTION (B), THE BURDEN OF PROVING FAILURE TO EXERCISE ORDINARY CARE IS ON THE PERSON PRECLUDED.

3-407.

(A) "ALTERATION" MEANS (I) AN UNAUTHORIZED CHANGE IN AN INSTRUMENT THAT PURPORTS TO MODIFY IN ANY RESPECT THE OBLIGATION OF A PARTY, OR (II) AN UNAUTHORIZED ADDITION OF WORDS OR NUMBERS OR OTHER CHANGE TO AN INCOMPLETE INSTRUMENT RELATING TO THE OBLIGATION OF A PARTY.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C), AN ALTERATION FRAUDULENTLY MADE DISCHARGES A PARTY WHOSE OBLIGATION IS AFFECTED BY THE ALTERATION UNLESS THAT PARTY ASSENTS OR IS PRECLUDED FROM ASSERTING THE ALTERATION. NO OTHER ALTERATION DISCHARGES A PARTY, AND THE INSTRUMENT MAY BE ENFORCED ACCORDING TO ITS ORIGINAL TERMS.

(C) A PAYOR BANK OR DRAWEE PAYING A FRAUDULENTLY ALTERED INSTRUMENT OR A PERSON TAKING IT FOR VALUE, IN GOOD FAITH AND WITHOUT NOTICE OF THE ALTERATION, MAY ENFORCE RIGHTS WITH RESPECT TO THE INSTRUMENT (I) ACCORDING TO ITS ORIGINAL TERMS, OR (II) IN THE CASE OF AN INCOMPLETE INSTRUMENT ALTERED BY UNAUTHORIZED COMPLETION, ACCORDING TO ITS TERMS AS COMPLETED.

3-408.

A CHECK OR OTHER DRAFT DOES NOT OF ITSELF OPERATE AS AN ASSIGNMENT OF FUNDS IN THE HANDS OF THE DRAWEE AVAILABLE FOR ITS PAYMENT, AND THE DRAWEE IS NOT LIABLE ON THE INSTRUMENT UNTIL THE DRAWEE ACCEPTS IT.

3-409.

(A) "ACCEPTANCE" MEANS THE DRAWEE'S SIGNED AGREEMENT TO PAY A DRAFT AS PRESENTED. IT MUST BE WRITTEN ON THE DRAFT AND MAY CONSIST OF THE DRAWEE'S SIGNATURE ALONE. ACCEPTANCE MAY BE MADE AT ANY TIME AND BECOMES EFFECTIVE WHEN NOTIFICATION PURSUANT TO INSTRUCTIONS IS GIVEN OR THE ACCEPTED DRAFT IS DELIVERED FOR THE PURPOSE OF GIVING RIGHTS ON THE ACCEPTANCE TO ANY PERSON.