

[(b)](2) [Until the item has been specially] SPECIALLY indorsed by a bank to a person who is not a bank.

4-202.

[(1)](A) A collecting bank must [use] EXERCISE ordinary care in:

[(a)](1) Presenting an item or sending it for presentment; [and]

[(b)](2) Sending notice of dishonor or nonpayment or returning an item other than a documentary draft to the bank's transferor [or directly to the depository bank under subsection (2) of § 4-212] after learning that the item has not been paid or accepted, as the case may be; [and]

[(c)](3) Settling for an item when the bank receives final settlement; and

[(d)] Making or providing for any necessary protest; and]

[(e)](4) Notifying its transferor of any loss or delay in transit within a reasonable time after discovery thereof.

[(2)] A collecting bank taking proper action before its midnight deadline following receipt of an item, notice or payment acts seasonably; taking proper action within a reasonably longer time may be seasonable but the bank has the burden of so establishing.]

(B) A COLLECTING BANK EXERCISES ORDINARY CARE UNDER SUBSECTION (A) BY TAKING PROPER ACTION BEFORE ITS MIDNIGHT DEADLINE FOLLOWING RECEIPT OF AN ITEM, NOTICE, OR SETTLEMENT. TAKING PROPER ACTION WITHIN A REASONABLY LONGER TIME MAY CONSTITUTE THE EXERCISE OF ORDINARY CARE, BUT THE BANK HAS THE BURDEN OF ESTABLISHING TIMELINESS.

[(3)](C) Subject to subsection [(1) (a)] (A)(1), a bank is not liable for the insolvency, neglect, misconduct, mistake, or default of another bank or person or for loss or destruction of an item [in transit or] in the possession of others OR IN TRANSIT.

4-203.

Subject to [the provisions of] Title 3 concerning conversion of instruments ([§ 3-419] § 3-420) and [the provisions of both Title 3 and this title concerning] restrictive indorsements (§ 3-206) only a collecting bank's transferor can give instructions [which] THAT affect the bank or constitute notice to it, and a collecting bank is not liable to prior parties for any action taken pursuant to [such] THE instructions or in accordance with any agreement with its transferor.

4-204.

[(1)](A) A collecting bank [must] SHALL send items by A reasonably prompt method, taking into consideration [any] relevant instructions, the nature of the item, the number of [such] THOSE items on hand, [and] the cost of collection [involved] INVOLVED, and the method generally used by it or others to present [such] THOSE items.

[(2)](B) A collecting bank may send: