

RECOVER FROM ANY WARRANTOR FOR BREACH OF WARRANTY AN AMOUNT EQUAL TO THE AMOUNT PAID PLUS EXPENSES AND LOSS OF INTEREST RESULTING FROM THE BREACH.

(E) THE WARRANTIES STATED IN SUBSECTIONS (A) AND (D) CANNOT BE DISCLAIMED WITH RESPECT TO CHECKS. UNLESS NOTICE OF A CLAIM FOR BREACH OF WARRANTY IS GIVEN TO THE WARRANTOR WITHIN 30 DAYS AFTER THE CLAIMANT HAS REASON TO KNOW OF THE BREACH AND THE IDENTITY OF THE WARRANTOR, THE WARRANTOR IS DISCHARGED TO THE EXTENT OF ANY LOSS CAUSED BY THE DELAY IN GIVING NOTICE OF THE CLAIM.

(F) A CAUSE OF ACTION FOR BREACH OF WARRANTY UNDER THIS SECTION ACCRUES WHEN THE CLAIMANT HAS REASON TO KNOW OF THE BREACH.

4-209.

(A) A PERSON WHO ENCODES INFORMATION ON OR WITH RESPECT TO AN ITEM AFTER ISSUE WARRANTS TO ANY SUBSEQUENT COLLECTING BANK AND TO THE PAYOR BANK OR OTHER PAYOR THAT THE INFORMATION IS CORRECTLY ENCODED. IF THE CUSTOMER OF A DEPOSITARY BANK ENCODES, THAT BANK ALSO MAKES THE WARRANTY.

(B) A PERSON WHO UNDERTAKES TO RETAIN AN ITEM PURSUANT TO AN AGREEMENT FOR ELECTRONIC PRESENTMENT WARRANTS TO ANY SUBSEQUENT COLLECTING BANK AND TO THE PAYOR BANK OR OTHER PAYOR THAT RETENTION AND PRESENTMENT OF THE ITEM COMPLY WITH THE AGREEMENT. IF A CUSTOMER OF A DEPOSITARY BANK UNDERTAKES TO RETAIN AN ITEM, THAT BANK ALSO MAKES THIS WARRANTY.

(C) A PERSON TO WHOM WARRANTIES ARE MADE UNDER THIS SECTION AND WHO TOOK THE ITEM IN GOOD FAITH MAY RECOVER FROM THE WARRANTOR AS DAMAGES FOR BREACH OF WARRANTY AN AMOUNT EQUAL TO THE LOSS SUFFERED AS A RESULT OF THE BREACH, PLUS EXPENSES AND LOSS OF INTEREST INCURRED AS A RESULT OF THE BREACH.

[4-208.] 4-210.

[(1)](A) A COLLECTING bank has a security interest in an item and any accompanying documents or the proceeds of either:

[(a)](1) In case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

[(b)](2) In case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given, whether or not the credit is drawn upon [and whether] or [not] there is a right of charge-back; or

[(c)](3) If it makes an advance on or against the item.

[(2)](B) [When] IF credit [which has been] given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents or the proceeds of either. For the purpose of this section, credits first given are first withdrawn.