

4-303.

[(1)](A) IF [Any] ANY knowledge, notice, or [stop-order] STOP-PAYMENT ORDER received by, legal process served upon, or setoff exercised by a payor bank, [whether or not effective under other rules of law] COMES TOO LATE to terminate, suspend, or modify the bank's right or duty to pay an item or to charge its customer's account for the item, [comes too late to so terminate, suspend or modify such right or duty] if the knowledge, notice, [stop-order] STOP-PAYMENT ORDER, or legal process is received or served and a reasonable time for the bank to act thereon expires or the setoff is exercised after the [bank has done any] EARLIEST of the following:

[(a)](1) [Accepted or certified the] THE BANK ACCEPTS OR CERTIFIES THE item;

[(b)](2) [Paid] THE BANK PAYS the item in cash;

[(c)](3) [Settled] THE BANK SETTLES for the item without [reserving] HAVING a right to revoke the settlement [and without having such right] under statute, [clearing house] 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)] (4) [Become] THE BANK BECOMES 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[.]; OR

(5) WITH RESPECT TO CHECKS, A CUTOFF HOUR NO EARLIER THAN ONE HOUR AFTER THE OPENING OF THE NEXT BANKING DAY AFTER THE BANKING DAY ON WHICH THE BANK RECEIVED THE CHECK AND NO LATER THAN THE CLOSE OF THAT NEXT BANKING DAY OR, IF NO CUTOFF HOUR IS FIXED, THE CLOSE OF THE NEXT BANKING DAY AFTER THE BANKING DAY ON WHICH THE BANK RECEIVED THE CHECK.

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

4-401.

[(1)](A) [As against its customer, a] A bank may charge against [his] THE account [any] OF A CUSTOMER AN item [which] THAT is [otherwise] properly payable from that account even though the charge creates an overdraft. ANY ITEM IS PROPERLY PAYABLE IF IT IS AUTHORIZED BY THE CUSTOMER AND IS IN ACCORDANCE WITH ANY AGREEMENT BETWEEN THE CUSTOMER AND BANK.

(B) A CUSTOMER IS NOT LIABLE FOR THE AMOUNT OF AN OVERDRAFT IF THE CUSTOMER NEITHER SIGNED THE ITEM NOR BENEFITED FROM THE PROCEEDS OF THE ITEM.