

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 3: COMMERCIAL PAPER

§ 3112. Terms and Omissions Not Affecting Negotiability.

(1) The negotiability of an instrument is not affected by:

(a) The omission of a statement of any consideration or of the place where the instrument is drawn or payable; or

(b) A statement that collateral has been given to secure obligations either on the instrument or otherwise of an obligor on the instrument or that in case of default on those obligations the holder may realize on or dispose of the collateral; or

(c) A promise or power to maintain or protect collateral or to give additional collateral; or

(d) A term authorizing a confession of judgment on the instrument if it is not paid when due; or

(e) A term purporting to waive the benefit of any law intended for the advantage or protection of any obligor; or

(f) A term in a draft providing that the payee by indorsing or cashing it acknowledges full satisfaction of an obligation of the drawer; or

(g) A statement in a draft drawn in a set of parts (5 CMC § 3801) to the effect that the order is effective only if no other part has been honored.

(2) Nothing in this section shall validate any term which is otherwise illegal.

Source: PL 3-56, § 1 (§ 3112).