

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 3: COMMERCIAL PAPER

§ 3501. When Presentment, Notice of Dishonor, and Protest Necessary or Permissible.

(1) Unless excused (5 CMC § 3511) presentment is necessary to charge secondary parties as follows:

(a) Presentment for acceptance is necessary to charge the drawer and indorsers of a draft where the draft so provides, or is payable elsewhere than at the residence or place of business of the drawee, or its date of payment depends upon such presentment. The holder may at his option present for acceptance any other draft payable at a stated date;

(b) Presentment for payment is necessary to charge any indorser;

(c) In the case of any drawer, the acceptor of a draft payable at a bank or the maker of a note payable at a bank, presentment for payment is necessary, but failure to make presentment discharges such drawer, acceptor or maker only as stated in 5 CMC § 3502(1)(b).

(2) Unless excused (5 CMC § 3511):

(a) Notice of any dishonor is necessary to charge any indorser;

(b) In the case of any drawer, the acceptor of a draft payable at a bank or the maker of a note payable at a bank, notice of any dishonor is necessary, but failure to give such notice discharges such drawer, acceptor or maker only as stated in 5 CMC § 3502(1)(b).

(3) Unless excused (5 CMC § 3511) protest of any dishonor is necessary to charge the drawee and indorsers of any draft which on its face appears to be drawn or payable outside of the states, territories, dependencies and possessions of the United States, the District of Columbia and the Commonwealths of the Northern Mariana Islands and Puerto Rico. The holder may at his option make protest of any dishonor of any other instrument and in the case of a foreign draft may on insolvency of the acceptor before maturity make protest for better security.

(4) Notwithstanding any provision of this section, neither presentment nor notice of dishonor nor protest is necessary to charge an indorser who has indorsed an instrument after maturity.

Source: PL 3-56, § 1 (§ 3501).