

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 8.3A-602 of the Code of Virginia, relating to negotiable instruments;*
3 *return of paid instrument.*

4 [S 999]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 8.3A-602 of the Code of Virginia is amended and reenacted as follows:**

8 § 8.3A-602. Payment.

9 (a) Subject to subsection (b), an instrument is paid to the extent payment is made (i) by or on behalf
10 of a party obliged to pay the instrument, and (ii) to a person entitled to enforce the instrument. To the
11 extent of the payment, the obligation of the party obliged to pay the instrument is discharged even
12 though payment is made with knowledge of a claim to the instrument under § 8.3A-306 by another
13 person.

14 (b) The obligation of a party to pay the instrument is not discharged under subsection (a) if:

15 (1) a claim to the instrument under § 8.3A-306 is enforceable against the party receiving payment
16 and (i) payment is made with knowledge by the payor that payment is prohibited by injunction or
17 similar process of a court of competent jurisdiction, or (ii) in the case of an instrument other than a
18 cashier's check, teller's check, or certified check, the party making payment accepted, from the person
19 having a claim to the instrument, indemnity against loss resulting from refusal to pay the person entitled
20 to enforce the instrument; or

21 (2) the person making payment knows that the instrument is a stolen instrument and pays a person it
22 knows is in wrongful possession of the instrument.

23 (c) *Within 90 days following payment in full of the obligation represented by an instrument, the*
24 *holder of the instrument shall return it to the maker or his agent, unless it no longer is in existence. If*
25 *the instrument no longer is in existence, upon request from the maker or his agent, the holder shall give*
26 *written confirmation that the instrument no longer is in existence and the obligation has been paid in*
27 *full, within 90 days of such request. In such event the holder shall be deemed to have satisfied its*
28 *obligation under this subsection.*

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