

§3-1304. Overdue instrument

(1). An instrument payable on demand becomes overdue at the earliest of the following times:

(a). On the day after the day demand for payment is duly made; [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). If the instrument is a check, 90 days after its date; or [PL 1993, c. 293, Pt. A, §2 (NEW).]

(c). If the instrument is not a check, when the instrument has been outstanding for a period of time after its date that is unreasonably long under the circumstances of the particular case in light of the nature of the instrument and usage of the trade. [PL 1993, c. 293, Pt. A, §2 (NEW).]

[PL 1993, c. 293, Pt. A, §2 (NEW).]

(2). With respect to an instrument payable at a definite time the following rules apply:

(a). If the principal is payable in installments and a due date has not been accelerated, the instrument becomes overdue upon default under the instrument for nonpayment of an installment, and the instrument remains overdue until the default is cured. [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). If the principal is not payable in installments and the due date has not been accelerated, the instrument becomes overdue on the day after the due date. [PL 1993, c. 293, Pt. A, §2 (NEW).]

(c). If a due date with respect to principal has been accelerated, the instrument becomes overdue on the day after the accelerated due date. [PL 1993, c. 293, Pt. A, §2 (NEW).]

[PL 1993, c. 293, Pt. A, §2 (NEW).]

(3). Unless the due date of principal has been accelerated, an instrument does not become overdue if there is default in payment of interest but no default in payment of principal.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 1993, c. 293, §A2 (NEW).

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