**§3-1305. Defenses and claims in recoupment**

**(1).**  Except as stated in subsection (2), the right to enforce the obligation of a party to pay an instrument is subject to the following:

(a). A defense of the obligor based on:

(i) Infancy of the obligor to the extent it is a defense to a simple contract;

(ii) Duress, lack of legal capacity or illegality of the transaction that, under other law, nullifies the obligation of the obligor;

(iii) Fraud that induced the obligor to sign the instrument with neither knowledge nor reasonable opportunity to learn of its character or its essential terms; or

(iv) Discharge of the obligor in insolvency proceedings; [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). A defense of the obligor stated in another section of this Article or a defense of the obligor that would be available if the person entitled to enforce the instrument were enforcing a right to payment under a simple contract; and [PL 1993, c. 293, Pt. A, §2 (NEW).]

(c). A claim in recoupment of the obligor against the original payee of the instrument if the claim arose from the transaction that gave rise to the instrument; but the claim of the obligor may be asserted against a transferee of the instrument only to reduce the amount owing on the instrument at the time the action is brought. [PL 1993, c. 293, Pt. A, §2 (NEW).]

[PL 1993, c. 293, Pt. A, §2 (NEW).]

**(2).**  The right of a holder in due course to enforce the obligation of a party to pay the instrument is subject to defenses of the obligor stated in subsection (1), paragraph (a), but is not subject to defenses of the obligor stated in subsection (1), paragraph (b) or claims in recoupment stated in subsection (1), paragraph (c) against a person other than the holder.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

**(3).**  Except as stated in subsection (4), in an action to enforce the obligation of a party to pay the instrument, the obligor may not assert against the person entitled to enforce the instrument a defense, claim in recoupment or claim to the instrument (section 3‑1306) of another person, but the other person's claim to the instrument may be asserted by the obligor if the other person is joined in the action and personally asserts the claim against the person entitled to enforce the instrument. An obligor is not obliged to pay the instrument if the person seeking enforcement of the instrument does not have rights of a holder in due course and the obligor proves that the instrument is a lost or stolen instrument.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

**(4).**  In an action to enforce the obligation of an accommodation party to pay an instrument, the accommodation party may assert against the person entitled to enforce the instrument any defense or claim in recoupment under subsection (1) that the accommodated party could assert against the person entitled to enforce the instrument, except the defenses of discharge in insolvency proceedings, infancy and lack of legal capacity.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 1993, c. 293, §A2 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.