**§3-1602. Payment**

**(1).**  Subject to subsection (2), an instrument is paid to the extent payment is made:

(a). By or on behalf of a party obliged to pay the instrument; and [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). To a person entitled to enforce the instrument. [PL 1993, c. 293, Pt. A, §2 (NEW).]

To the extent of the payment, the obligation of the party obliged to pay the instrument is discharged even though payment is made with knowledge of a claim to the instrument under section 3‑306 by another person.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

**(2).**  The obligation of a party to pay the instrument is not discharged under subsection (1) if:

(a). A claim to the instrument under section 3‑1306 is enforceable against the party receiving payment and:

(i) Payment is made with knowledge by the payor that payment is prohibited by injunction or similar process of a court of competent jurisdiction; or

(ii) In the case of an instrument other than a cashier's check, teller's check or certified check, the party making payment accepted, from the person having a claim to the instrument, indemnity against loss resulting from refusal to pay the person entitled to enforce the instrument; or [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). The person making payment knows that the instrument is a stolen instrument and pays a person that the person making payment knows is in wrongful possession of the instrument. [PL 1993, c. 293, Pt. A, §2 (NEW).]

[PL 1993, c. 293, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 1993, c. 293, §A2 (NEW).

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