

**CHAPTER XVII.—Promissory Notes and Checks.**

An. Code, 1924, sec. 203. 1912, sec. 203. 1904, sec. 203. 1898, ch. 119.

**203.** A negotiable promissory note within the meaning of this act is an unconditional promise in writing made by one person to another, signed by the maker engaging to pay on demand or at a fixed or determinable future time, a sum certain in money to order or to bearer. Where a note is drawn to the maker's own order, it is not complete until indorsed by him.  
See notes to sec. 25.

An. Code, 1924, sec. 204. 1912, sec. 204. 1904, sec. 204. 1898, ch. 119.

**204.** A check is a bill of exchange drawn on a bank payable on demand. Except as herein otherwise provided, the provisions of this act applicable to a bill of exchange payable on demand apply to a check.

As to the effect of a postdated check, see *Am. Agri. Chem. Co. v. Scrimger*, 130 Md. 393.

A check is a negotiable instrument. *Dean v. Eastern Shore Trust Co.*, 159 Md. 216.  
As to checks drawn by and payable to fiduciaries, see art. 37A, secs. 5 and 6.

An. Code, 1924, sec. 205. 1912, sec. 205. 1904, sec. 205. 1898, ch. 119.

**205.** A check must be presented for payment within a reasonable time after its issue or the drawer will be discharged from liability thereon to the extent of the loss caused by the delay.

An. Code, 1924, sec. 206. 1912, sec. 206. 1904, sec. 206. 1898, ch. 119.

**206.** Where a check is certified by the bank on which it is drawn, the certification is equivalent to an acceptance.

By the certification of a check or draft the bank becomes directly liable to the holder; such act is an acceptance by the bank. Effect of mistake. *Bk. of Commerce v. Commercial Bk.*, 141 Md. 557. And see *Bank of Balto. v. Drovers Bk.*, 143 Md. 177.

This section referred to in construing art. 11, sec. 120. *Construction Co. v. Page*, 162 Md. 360.

See art. 11, sec. 93.

An. Code, 1924, sec. 207. 1912, sec. 207. 1904, sec. 207. 1898, ch. 119.

**207.** Where the holder of a check procures it to be accepted or certified, the drawer and all indorsers are discharged from liability thereon.

Where there is a dispute between a debtor and creditor as to the amount due, and the former sends the latter a check for less than the creditor claims to be due, stating that it is in full settlement, and not to be used unless it is so accepted, the action of the creditor in having such check certified, amounts to a "using" of the check and an acceptance thereof in full settlement. Effect of the certification of a check. *Scheffenacker v. Hoopes*, 113 Md. 117. And see *Bank of Balto. v. Drovers Bank*, 143 Md. 173.

A bank whose certification of a check has been forged, allowed to recover from the bank which presented it for payment, notwithstanding the non-compliance with a clearing house rule as to notice of errors. *Bank of Balto. v. Drovers, etc., Bank*, 143 Md. 173.

The certification of an acceptance, unless a right of cancellation exists and is exercised, releases the maker and endorsers of the instrument. *Balto. Commercial Bk. v. Shapiro*, 141 Md. 564.

This section is declaratory of the common law and was the law of Maryland when *Second Natl. Bank v. Western Natl. Bank*, 51 Md. 128, was decided. *Bk. of Commerce v. Commercial Bk.*, 141 Md. 559 (dissenting opinion).

An. Code, 1924, sec. 208. 1912, sec. 208. 1904, sec. 208. 1898, ch. 119.

**208.** A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check.

This section referred to in construing art. 11, sec. 120. *Construction Co. v. Page*, 162 Md. 357.

This section applied in *Diebert v. State*, 150 Md. 690.

Bankrupt's bill of sale of automobiles given payee of bankrupt's dishonored check was transfer of to secure antecedent debt and was voidable preference. *In re Sachs*, 31 Fed. (2nd), 799.