

IC 26-2-3

Chapter 3. Negotiable Instruments

IC 26-2-3-1

Negotiability by endorsement

Sec. 1. All promissory notes, bills of exchange, bonds or other instruments in writing, signed by any person who promises to pay money, or acknowledges money to be due, or for the delivery of a specific article, or to convey property, or to perform any stipulation therein mentioned, shall be negotiable by endorsement thereon, so as to vest the property thereof in each endorsee successively.

(Formerly: Acts 1861, c.75, s.1.)

IC 26-2-3-2

Assignee's right of action

Sec. 2. The assignee of any such instrument may, in his own name, recover against the person who made the same.

(Formerly: Acts 1861, c.75, s.2.)

IC 26-2-3-3

Availability of defense or set-off against assignee

Sec. 3. Whatever defense or setoff the maker of any such instrument had, before notice of assignment, against an assignor, or against the original payee, he shall have also against their assignees.

(Formerly: Acts 1861, c.75, s.3.)

IC 26-2-3-4

Assignee's right of action against endorser; defenses

Sec. 4. Any such assignee, having used due diligence in the premises, shall have his action against his immediate or any remote endorser, and in suit against a remote endorser, he shall have any defense which he might have had in a suit brought by his immediate assignee.

(Formerly: Acts 1861, c.75, s.4.)

IC 26-2-3-5

Construction of law

Sec. 5. The provisions of sections 3 and 4 of this chapter shall not alter the law relative to bills of exchange as it exists on July 5, 1861.

(Formerly: Acts 1861, c.75, s.5.) As amended by P.L.152-1986, SEC.303.

IC 26-2-3-6

Negotiability of notes payable to order or bearer in a bank

Sec. 6. Notes payable to order or bearer in a bank in this state shall be negotiable as inland bills of exchange, and the payees and endorsees thereof may recover as in case of such bills.

(Formerly: Acts 1861, c.75, s.6.)

IC 26-2-3-7

Damages payable on protest for nonpayment or nonacceptance of bill of exchange

Sec. 7. Damages payable on protest for nonpayment or nonacceptance of a bill of exchange, drawn or negotiated within this state, shall be, if drawn upon any person at any place out of this state, but within the United States, five per cent (5%), but if upon any person at any place without the United States, ten per cent (10%) on the principal of such bill.

(Formerly: Acts 1861, c.75, s.7.)

IC 26-2-3-8

Interest on protested bill of exchange

Sec. 8. Beyond such damages, no interest or charges accruing prior to protest shall be allowed, but interest from the date of the protest may be recovered.

(Formerly: Acts 1861, c.75, s.8.)

IC 26-2-3-9

Rate of exchange

Sec. 9. As to any such bills payable within the United States, the rate of exchange shall not be taken into account.

(Formerly: Acts 1861, c.75, s.9.)

IC 26-2-3-10

Limitation of damages against drawer or endorser of protested bill of exchange

Sec. 10. No damages beyond cost of protest shall be chargeable against drawer or endorser, if, upon notice of protest and demand of the principal sum, the same is paid.

(Formerly: Acts 1861, c.75, s.10.)

IC 26-2-3-11

Necessity of consideration

Sec. 11. No holder of a bill of exchange shall recover damages thereon, if he has not given for the same, or for some interest therein, a valuable consideration.

(Formerly: Acts 1861, c.75, s.11.)

IC 26-2-3-12

Bill payable out of state; effect of provision of means for discharge within state

Sec. 12. On any bill drawn or negotiated in this state, and payable at any place without the state, but in regard to which it shall appear that it was not to be presented for acceptance or payment at that place, if means were provided for its discharge within the state, no damages or charges for protest shall be allowed.

(Formerly: Acts 1861, c.75, s.12.)

IC 26-2-3-13

Exclusion of notes discounted by bank

Sec. 13. The provisions of this chapter relating to damages on bills of exchange shall not apply to promissory notes discounted by a bank, and protested for nonpayment.

(Formerly: Acts 1861, c.75, s.13.) As amended by P.L.152-1986, SEC.304.

IC 26-2-3-14

Judgment and execution

Sec. 14. Upon any instrument of writing, made within this state or elsewhere, containing a promise to pay money without relief from valuation laws, judgment shall be rendered and execution had accordingly.

(Formerly: Acts 1861, c.75, s.15.)