

554.3103 Definitions.

1. In [this Article](#):

- a. “*Acceptor*” means a drawee who has accepted a draft.
- b. “*Drawee*” means a person ordered in a draft to make payment.
- c. “*Drawer*” means a person who signs or is identified in a draft as a person ordering payment.

d. Reserved.

e. “*Maker*” means a person who signs or is identified in a note as a person undertaking to pay.

f. “*Order*” means a written instruction to pay money signed by the person giving the instruction. The instruction may be addressed to any person, including the person giving the instruction, or to one or more persons jointly or in the alternative but not in succession. An authorization to pay is not an order unless the person authorized to pay is also instructed to pay.

g. “*Ordinary care*” in the case of a person engaged in business means observance of reasonable commercial standards, prevailing in the area in which the person is located, with respect to the business in which the person is engaged. In the case of a bank that takes an instrument for processing for collection or payment by automated means, reasonable commercial standards do not require the bank to examine the instrument if the failure to examine does not violate the bank’s prescribed procedures and the bank’s procedures do not vary unreasonably from general banking usage not disapproved by [this Article](#) or [Article 4](#).

h. “*Party*” means a party to an instrument.

i. “*Promise*” means a written undertaking to pay money signed by the person undertaking to pay. An acknowledgment of an obligation by the obligor is not a promise unless the obligor also undertakes to pay the obligation.

j. “*Prove*” with respect to a fact means to meet the burden of establishing the fact ([section 554.1201, subsection 2](#), paragraph “h”).

k. “*Remitter*” means a person who purchases an instrument from its issuer if the instrument is payable to an identified person other than the purchaser.

2. Other definitions applying to [this Article](#) and the sections in which they appear are:

- a. “Acceptance” [Section 554.3409](#).
- b. “Accommodated party” [Section 554.3419](#).
- c. “Accommodation party” [Section 554.3419](#).
- d. “Alteration” [Section 554.3407](#).
- e. “Anomalous endorsement” [Section 554.3205](#).
- f. “Blank endorsement” [Section 554.3205](#).
- g. “Cashier’s check” [Section 554.3104](#).
- h. “Certificate of deposit” [Section 554.3104](#).
- i. “Certified check” [Section 554.3409](#).
- j. “Check” [Section 554.3104](#).
- k. “Consideration” [Section 554.3303](#).
- l. “Demand draft” [Section 554.3104](#).
- m. “Draft” [Section 554.3104](#).
- n. “Holder in due course” [Section 554.3302](#).
- o. “Incomplete instrument” [Section 554.3115](#).
- p. “Endorsement” [Section 554.3204](#).
- q. “Endorser” [Section 554.3204](#).
- r. “Instrument” [Section 554.3104](#).
- s. “Issue” [Section 554.3105](#).
- t. “Issuer” [Section 554.3105](#).
- u. “Negotiable instrument” [Section 554.3104](#).
- v. “Negotiation” [Section 554.3201](#).
- w. “Note” [Section 554.3104](#).
- x. “Payable at a definite time” [Section 554.3108](#).
- y. “Payable on demand” [Section 554.3108](#).
- z. “Payable to bearer” [Section 554.3109](#).

- aa. “Payable to order” [Section 554.3109.](#)
- ab. “Payment” [Section 554.3602.](#)
- ac. “Person entitled to enforce” [Section 554.3301.](#)
- ad. “Presentment” [Section 554.3501.](#)
- ae. “Reacquisition” [Section 554.3207.](#)
- af. “Special endorsement” [Section 554.3205.](#)
- ag. “Teller’s check” [Section 554.3104.](#)
- ah. “Transfer of instrument” [Section 554.3203.](#)
- ai. “Traveler’s check” [Section 554.3104.](#)
- aj. “Value” [Section 554.3303.](#)
- 3. The following definitions in other Articles apply to [this Article](#):
 - a. “Bank” [Section 554.4105.](#)
 - b. “Banking day” [Section 554.4104.](#)
 - c. “Clearing house” [Section 554.4104.](#)
 - d. “Collecting bank” [Section 554.4105.](#)
 - e. “Depository bank” [Section 554.4105.](#)
 - f. “Documentary draft” [Section 554.4104.](#)
 - g. “Intermediary bank” [Section 554.4105.](#)
 - h. “Item” [Section 554.4104.](#)
 - i. “Payor bank” [Section 554.4105.](#)
 - j. “Suspends payments” [Section 554.4104.](#)
- 4. In addition, [Article 1](#) contains general definitions and principles of construction and

interpretation applicable throughout [this Article](#).

[94 Acts, ch 1167, §12, 121, 122](#); [2005 Acts, ch 11, §1](#); [2007 Acts, ch 41, §25, 26](#)
Referred to in [§554.4104](#), [§554.9102](#)