

RÉSUMÉ DIGEST

ACT 208 (HB 232)

2024 Regular Session

Muscarello

Existing law (R.S. 10:3-416(b)) provides that a holder of a warranty under existing law who took the instrument in good faith may recover from the warrantor damages for breach of warranty in an amount equal to the loss suffered as a result of the breach not to exceed the amount of the instrument plus expenses and loss of interest incurred.

New law requires a warrantor of a claim to pay expenses and attorney fees if the warrantor fails to pay the claim within 30 days of receiving written notice from the person to whom warranties are to be made. New law also requires the notice be delivered via commercial courier or by either registered or certified mail.

Existing law (R.S. 10:3-417(b)) provides that a drawee making payment may recover from any warrantor damages for breach of warranty equal to the amount paid by the drawee less the amount the drawee received or is entitled to receive from the drawer because of the payment. Existing law also provides that a drawee is entitled to compensation for expenses and loss of interest resulting from the breach.

Existing law (R.S. 10:3-417(b)) establishes that a right for a drawee to recover damages under existing law is not affected if the drawee fails to exercise ordinary care in making payment.

Existing law (R.S. 10:3-417(b)) provides that if a drawee accepts a draft that a breach of warranty is a defense to the obligation of the acceptor. Existing law also provides that an acceptor who makes a payment with respect to the draft is entitled to recover from any warrantor for breach of warranty the amounts provided by existing law.

New law requires a warrantor of a claim to pay expenses and attorney fees if the warrantor fails to pay the claim within 30 days of receiving written notice from the drawee to whom warranties are to be made. New law also requires the notice be delivered via commercial courier or by either registered or certified mail.

Existing law (R.S. 10:4-207(c)) provides that a holder of a warranty under existing law who took the instrument in good faith may recover from the warrantor damages for breach of warranty in an amount equal to the loss suffered as a result of the breach not to exceed the amount of the instrument plus expenses and loss of interest incurred.

New law requires a warrantor of a claim to pay expenses and attorney fees if the warrantor fails to pay the claim within 30 days of receiving written notice from the person to whom warranties are to be made. New law also requires the notice be delivered via commercial courier or by either registered or certified mail.

Existing law (R.S. 10:4-208(b)) provides that a drawee making payment may recover from any warrantor damages for breach of warranty equal to the amount paid by the drawee less the amount the drawee received or is entitled to receive from the drawer because of the payment. Existing law also provides that a drawee is entitled to compensation for expenses and loss of interest resulting from the breach.

Existing law (R.S. 10:4-208(b)) establishes that a right for a drawee to recover damages under existing law is not affected if the drawee fails to exercise ordinary care in making payment.

Existing law (R.S. 10:4-208(b)) provides that if a drawee accepts a draft that a breach of warranty is a defense to the obligation of the acceptor. Existing law also provides that an acceptor who makes a payment with respect to the draft is entitled to recover from any warrantor for breach of warranty the amounts provided by existing law.

New law requires a warrantor of a claim to pay expenses and attorney fees if the warrantor fails to pay the claim within 30 days of receiving written notice from the drawee to whom warranties are to be made. New law also requires the notice be delivered via commercial courier or by either registered or certified mail.

Effective August 1, 2024.

(Amends R.S. 10:3-416(b) and (c), 3-417(b), (c), and (e), 4-207(c) and (d), and 4-208(b), (c), and (e))