

2026 Regular Session

HOUSE BILL NO. 1115

BY REPRESENTATIVE ADAMS

BANKS/BANKING: Provides relative to mobile check deposits

1 AN ACT

2 To enact R.S. 10:3-321, relative to negotiable instruments; to provide protections against
3 duplicate presentment of checks; to provide for definitions; to provide an indemnity
4 for a holder in due course of a paper check previously deposited by remote deposit
5 capture; to provide for jurisdiction; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 10:3-321 is hereby enacted to read as follows:

8 §3-321. Duplicate presentment; definitions; good faith holder in due course; rights;
9 jurisdiction

10 (a) For the purposes of this Section, the following terms have the following
11 meanings:

12 (1) "Check" has the same meaning as in R.S. 10:3-104.

13 (2) "Financial institution" means a federally-insured depository institution
14 chartered pursuant to the laws of this state, another state, or the United States.

15 (3) "Holder in due course" has the same meaning as in R.S. 10:3-302.

16 (4) "Remote deposit capture" means an automated deposit transaction system
17 by which an electronic image of a check or the captured digital data of a check is
18 transmitted to a financial institution for posting and clearing without that financial
19 institution taking physical possession of the check.

1 (5) "Restrictive endorsement" means a statement, such as the words "For
2 Mobile Deposit Only" or substantially similar language, written or indicated on the
3 back of a check, authorizing that check to be submitted for deposit by remote deposit
4 capture.

5 (6) "Truncating financial institution" means a financial institution that accepts
6 a check for deposit by remote deposit capture.

7 (b)(1) A person who accepts an original paper check for value, in good faith,
8 and without notice that the check was previously deposited by remote deposit
9 capture, is a holder in due course of that check, and shall be entitled to enforce that
10 check against the drawer and all prior endorsers, notwithstanding that the check has
11 been previously paid upon presentment by remote deposit capture.

12 (2) For the purposes of this Section, a person is presumed to have acted in
13 good faith if that person, at the time of accepting the check, does all of the following:

14 (i) Examines the check for the presence of a restrictive endorsement
15 indicating prior remote deposit capture.

16 (ii) Requires the presenter of the check to produce a valid government-issued
17 photographic identification, and records the identification type, number, and
18 expiration date.

19 (iii) Verifies that the name on the check matches the identification presented.

20 (iv) Does not have notice that the check has been previously deposited.

21 (3) A person who accepts for value a check bearing a restrictive endorsement
22 indicating prior remote deposit capture is not deemed to have acted in good faith and
23 is not entitled to the protections of this Section for that check.

24 (c)(1) A truncating financial institution shall indemnify and hold harmless a
25 holder in due course of the original paper check, and the depository financial
26 institution of that holder in due course, for any loss suffered as a result of the
27 duplicate presentment of that check, including the face amount of the check, any fees
28 or charges imposed on the holder in due course or its depository bank as a result of

1 the dishonor or return of the check, interest at the legal rate from the date of the loss,
2 and attorney fees.

3 (2) The indemnification obligation of a truncating financial institution
4 pursuant to this Section arises when all of the following occur:

5 (i) The truncating financial institution accepted a check for deposit by remote
6 deposit capture without that check bearing a restrictive endorsement.

7 (ii) The original paper check was subsequently presented for payment by or
8 on behalf of a good faith holder in due course.

9 (iii) The payor financial institution dishonored, returned, or charged back the
10 original paper check as a suspected or confirmed duplicate.

11 (iv) The holder in due course, or its depository financial institution, suffered
12 a loss as a result.

13 (d) A holder in due course or its depository financial institution may assert
14 a claim for indemnification in accordance with this Section directly against the
15 truncating financial institution without first seeking recovery from the presenter of
16 the check who caused or participated in the duplicate presentment.

17 (e) Nothing in this Section shall preclude the truncating financial institution
18 from seeking recovery from its customer who deposited the check through remote
19 deposit capture, or from any other person responsible for the duplicate presentment.

20 (f) A nonresident truncating financial institution is deemed to have caused
21 injury or damage in this state when the original paper check is subsequently cashed,
22 deposited, or negotiated by a holder in due course located in this state and that holder
23 in due course suffers a loss as a result of duplicate presentment. For purposes of this
24 Section, the act of accepting a check for deposit by remote deposit capture that
25 results in a financial loss to a business in this state constitutes an act or omission
26 causing foreseeable injury in this state.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1115 Original

2026 Regular Session

Adams

Abstract: Provides protections against the duplicate presentment of a check that was previously deposited by mobile deposit or remote deposit capture.

Proposed law defines "check", "financial institution", "holder in due course", "remote deposit capture", "restrictive endorsement", and "truncating financial institution".

Proposed law provides that a person who accepts an original paper check for value, in good faith, and without notice that the check was previously deposited by remote deposit capture is a holder in due course of that check.

Proposed law provides a presumption of good faith if the person accepting the check, at the time of accepting that check, does all of the following:

- (1) Examines the check for the presence of a restrictive endorsement indicating prior remote deposit capture.
- (2) Requires the presenter of the check to produce a valid government-issued photographic identification, and records the identification type, number, and expiration date.
- (3) Verifies that the name on the check matches the identification presented.
- (4) Does not have notice that the check has been previously deposited.

Proposed law provides that a person accepting a check with a restrictive endorsement is not deemed to have acted in good faith.

Proposed law provides for indemnification of a holder in due course by a truncating financial institution for any loss suffered as a result of the duplicate presentment of that check when all of the following occur:

- (1) The truncating financial institution accepted a check for deposit by remote deposit capture without that check bearing a restrictive endorsement.
- (2) The original paper check was subsequently presented for payment by or on behalf of a good faith holder in due course.
- (3) The payor financial institution dishonored, returned, or charged back the original paper check as a suspected or confirmed duplicate.
- (4) The holder in due course, or its depository financial institution, suffered a loss as a result.

Proposed law provides that a nonresident truncating financial institution causes foreseeable injury in this state when that institution accepts a check by remote deposit capture that is subsequently cashed or deposited in this state.

(Adds R.S. 10:3-321)