

Bank Deposits, Collections and Funds Transfers

1. What are a payor bank's rights to subrogation upon an improper payment of an instrument?
2. What is electronic funds transfer? Why do banks like it? What provisions are in the law to protect the customer who uses electronic funds transfer?
3. Emma calls her bank to issue an oral stop payment order on a check on March 1st. She then leaves town for two weeks to visit her mother. When she returns, she goes to the bank to sign a written stop payment order, but finds the bank has already paid the check. What recourse does she have? Explain.
4. Theresa has just started working for First Bank as a teller. A man comes into the bank with a \$100 check that is 8 months old. She goes to the manager to ask whether she should pay it. If you were the manager, what would you advise her? Explain.
5. Mary receives her monthly bank statement on December 30th. She looks at it quickly, then sets it aside. Three days later, she examines it again and discovers a forged check. What must she do to avoid responsibility for the check?