

§ 25-4-203. Effect of instructions.

Subject to Article 3 concerning conversion of instruments (G.S. 25-3-420) and restrictive indorsements (G.S. 25-3-206), only a collecting bank's transferor can give instructions that affect the bank or constitute notice to it, and a collecting bank is not liable to prior parties for any action taken pursuant to the instructions or in accordance with any agreement with its transferor. (1965, c. 700, s. 1; 1995, c. 232, s. 2.)