

355.3-407 Alteration.

- (1) "Alteration" means:
 - (a) An unauthorized change in an instrument that purports to modify in any respect the obligation of a party; or
 - (b) An unauthorized addition of words or numbers or other change to an incomplete instrument relating to the obligation of a party.
- (2) Except as provided in subsection (3) of this section, an alteration fraudulently made discharges a party whose obligation is affected by the alteration unless that party assents or is precluded from asserting the alteration. No other alteration discharges a party, and the instrument may be enforced according to its original terms.
- (3) A payor bank or drawee paying a fraudulently altered instrument or a person taking it for value, in good faith and without notice of the alteration, may enforce rights with respect to the instrument:
 - (a) According to its original terms; or
 - (b) In the case of an incomplete instrument altered by unauthorized completion, according to its terms as completed.

Effective: January 1, 1997

History: Repealed and reenacted 1996 Ky. Acts ch. 130, sec. 45, effective January 1, 1997. -- Created 1958 Ky. Acts ch. 77, sec. 3-407, effective July 1, 1960.