

Can I stop payment on all types of checks?

A financial institution is obligated to pay checks that it certifies and cashier's or teller's checks that it issues. Therefore, payment cannot be stopped in the ordinary way.

New York and the states that have adopted the revised Article 4—except Arizona, Arkansas, the District of Columbia, Indiana, Missouri, Montana, Pennsylvania, and Wyoming—have a special procedure to address these issues. The special procedure establishes that if one of these checks is lost, stolen, or destroyed, anyone who has a right to the money can claim it (this person is called a claimant) by making a declaration, under penalty of perjury, to the financial institution that is obligated to pay the check. The claim is not enforceable until 90 days after the check is issued or certified. Until that time, the claimant is not entitled to money, and the financial institution must pay the check if it is presented. After the 90th day, if the check has not been presented, the institution must pay the claimant, and the institution is not required to pay the check if it is subsequently presented.

If you would like more information about stop-payment procedures, please ask us!



*What are
the rules to **stop**
payment on
a check?*

Consider the rules regarding stop-payment orders

In order to understand the rules that apply to stopping payment of a check, you first must understand that these rules come primarily from a body of law called Article 4 of the Uniform Commercial Code. This brochure will simply call it Article 4.

Every state has adopted some version of Article 4. In the past several years, most states have adopted the revised version of Article 4. As of June 1998, only New York, Rhode Island, and South Carolina still operate under the old version of Article 4. The account agreement between the financial institution and the account holder might alter or expand these rules, so it is important to review the account agreement for a full understanding of the rules that apply for a particular institution.

What is a stop-payment order?

A stop-payment order is an order from the account owner or anyone authorized to draw on the account directing the financial institution not to pay a particular check that is drawn on the account.

Who can give an order to stop payment of a check?

The account owner or any person authorized to draw on the account may give a stop-payment order. When there is more than one person named on the account, a stop payment may be ordered by the person who signed the particular check or by any other person who is authorized to draw on the account even though the person did not sign the check.

If I want to stop payment of a check, how soon must I give the stop-payment order?

The stop-payment order is not effective unless you have given the financial institution reasonable opportunity to act on the order before the institution pays the check or becomes unable to refuse to pay the check. In addition, in the states that have adopted the revised version of Article 4, there is a cutoff time after which you can no longer order payment to be stopped. The account agreement might also include rules about the timing requirements for a stop-payment order. In any case, the best practice is to notify the institution as fast as you can if you want to stop the payment of a check.

How can I stop a payment?

Oral Request. Except in Texas and Florida, you can give a stop-payment order orally. If given orally, the order expires after 14 days unless it is confirmed in writing.

Written Request. When you give a stop-payment order in writing, it is valid for six (6) months. It may be renewed in writing for an additional six (6) months.

What information is required in the stop-payment order?

Whether it is given orally or in writing, the order must describe the check with reasonable certainty. Checks are not processed by hand; they are processed by machine. The machine may require very specific information, such as the amount of the check to the penny, the precise check number, or the exact date that the check was written. If you want to stop payment of a check, you should ask us what information we need.