

*** DRAFT - NOT YET FILED ***

1301:1-3-03

Letters of credit.

A bank may issue letters of credit permissible under Chapter 1305. of the Revised Code, provided that all letters of credit are issued in conformity with all of the following:

- (A) Each letter of credit shall conspicuously state that it is a letter of credit or be conspicuously entitled as such;
- (B) The bank's undertaking shall contain a specified expiration date or be for a definite term;
- (C) The bank's undertaking shall be limited in amount;
- (D) The bank's obligation to pay shall arise only upon presentation of a draft or other documents specified in the letter of credit, and the bank shall not be called upon to determine questions of fact or law at issue between the bank's customer and the beneficiary;
- (E) The bank's customer shall have an unqualified obligation to reimburse the bank for payments made under the letter of credit.

All items listed in paragraphs (A) to (E) of this rule shall be evidenced in writing.

Replaces: 1301:1-2-01

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under: 119.03
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