

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING EXISTING GUARANTOR EXONERATION LAW;  
5 AND AMENDING SECTION 28-11-211, MCA."

6  
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

8  
9 **Section 1.** Section 28-11-211, MCA, is amended to read:

10 **"28-11-211. When guarantor exonerated.** (1) A guarantor is exonerated, except so far as the  
11 guarantor may be indemnified by the principal, if by any act of the creditor not authorized by the original  
12 guaranty instrument or without the separate consent of the guarantor, the original obligation of the principal is  
13 altered in any respect or the remedies or rights of the creditor against the principal in respect to the original  
14 obligation are in any way impaired or suspended.

15 (2) A promise by a creditor that for any cause is void or voidable by the creditor at—the creditor's  
16 option does not alter the obligation or suspend or impair the remedy within the meaning of subsection (1)."

17 - END -