

# USURY.

## CHAPTER 131.

[H. B. No. 194.]

### LEGAL RATE OF INTEREST.

AN ACT Defining Usury and Fixing the Penalty for Taking the Same.

*Be it Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. LEGAL RATE SEVEN PER CENT.] Interest for any legal indebtedness shall be at the rate of 7 per centum per annum, unless a different rate is contracted for in writing, and all contracts shall bear the same rate of interest after they become due as before, unless it clearly appears therefrom that such was not the intention of the parties.

§ 2. USURY DEFINED.] No person, firm, company or corporation shall, directly or indirectly, take or receive, or agree to take or receive, in money, goods or things in action, or in any other way, any greater sum or any greater value for the loan or forbearance of money, goods or things in action than 12 per centum per annum; and in the computation of interest the same shall not be compounded. Any violation of this section shall be deemed usury; *Provided*, That any contract to pay interest not usurious on interest overdue shall not be deemed usury.

§ 2. PENALTY.] The taking, receiving, reserving or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, twice the amount of interest thus paid, from the person, firm, company or corporation taking or receiving the same; *Provided*, Such action is commenced within two years from the time the usurious transaction occurred.

§ 4. REPEAL.] Chapter 184 of the Session Laws of the year A. D. 1890, entitled "Usury," approved March 31, 1890, and Chapter 124 of the Session Laws of the year A. D. 1891, entitled "Usury," are hereby repealed.

§ 5. REPEAL.] All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

Approved, March 1, 1893.