

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE.

1862.

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1862.

FORTY-FIRST LEGISLATURE.

SENATE.

No. 18.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SIXTY-TWO.

AN ACT to amend chapter forty-five of the revised statutes, in relation to interest on money.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:

SECTION 1. Section one of chapter forty-five of the 2 revised statutes is amended so as to read as follows:

SECTION 1. Legal interest on the loan or forbearance 2 of any money, goods, merchandize, or things in action, 3 is hereby established at the rate of six dollars on a 4 hundred dollars for one year, in all cases where no 5 rate of interest is specified in writing; but where a 6 different rate is expressed in writing in any contract 7 or instrument, the rate of interest so expressed shall 8 be taken and deemed to be the true and legal interest

9 thereon; *provided* that in no instance, shall over eight
10 per cent. per annum be so agreed upon or taken, and
11 all notes, bonds or contracts in which more than six
12 per cent. interest per annum is reserved or fixed, and
13 which notes, bonds or contracts are secured by a mort-
14 gage on real estate, shall be absolutely void.

SECT. 2. Sections two and three of chapter forty-
2 five of the revised statutes are hereby repealed.

SECT. 3. This act shall not apply to, nor in any
2 way affect, the provisions of section thirty-one, chapter
3 forty-seven of the revised statutes.

SECT. 4. This act shall take effect from and after its
2 approval by the governor.

AMENDMENT PROPOSED BY MR. GRANGER.

Amend by striking out all of the bill after section one of said chapter and insert as follows :

SECT. 2. In any action brought or hereafter to be brought on any contract whatever in which there is directly or indirectly taken, promised or received, a rate of interest exceeding that established in section one, or where such contract is relied upon by either party in the maintenance or defence of any action, either party may under the general issue prove such excessive interest (the defendant giving notice of such defence in his specifications of defence) and it shall be deducted from the amount due on such contract ; and if in any such action the amount claimed by either party under such contract is reduced by proof of such excessive interest, the party taking or reserving the same shall receive no cost but shall pay cost to the adverse party.

SECT. 3. If any person directly or indirectly receives or retains any such excessive interest in money or other property, he or his personal representatives shall be liable for the same to the party from whom received

5 or retained or to his personal representatives, in an
6 action on the case, but this provision shall not extend
7 to bills of exchange or negotiable promissory notes in
8 the hands of an indorsee or holder for a valuable con-
9 sideration paid without notice of any such excessive
10 interest; nor shall it apply to bills of exchange or
11 negotiable promissory notes in the hands of any payee
12 or holder who discounted or took them in the ordinary
13 course of business, unless such excess shall exceed four
14 per cent. and in that case for the excess only beyond
15 the rate of ten per cent. per annum.

SECT. 4. Sections two and three of chapter fifty-five
2 of the revised statutes are hereby repealed, and this
3 act shall take effect when approved by the governor.

STATE OF MAINE.

IN SENATE, March 1, 1862.

Bill relating to interests on money, being under consideration,
Mr. GRANGER of Washington, proposed amendments; pending
which, the bill was laid on the table and ordered to be printed for
the use of the Legislature.

JAMES M. LINCOLN, *Secretary.*