

MAINE STATE LEGISLATURE

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SEVENTY-SIXTH LEGISLATURE

HOUSE

NO. 308

House of Representatives, Feb. 21, 1913.

Tabled pending reference to a committee, by Mr. Trimble of Calais and ordered printed.

W. R. ROIX, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND THIRTEEN.

AN ACT relating to Interest and Usury.

Be it enacted by the People of the State of Maine, as follows:

Section 1. In the absence of an agreement in writing, the
2 legal rate of interest is six per cent per year.

Sect. 2. The rate of interest in a written agreement for
2 the loan or forbearance of any money, goods, or things in
3 action, shall not be greater than ten per cent per year, and
4 on short time loans the rate of interest shall be no greater
5 than one per cent per month, on the sum actually borrowed,
6 for a period not exceeding three months, and no renewal of
7 the whole or part thereof to bear a greater rate than ten
8 per cent per year.

Sect. 3. No person or corporation shall, directly or indirectly, take or receive in money, goods or things in action, or in any other way, any greater sum or greater value, for the loan or forbearance of any money, goods or things in action, than is above prescribed.

Sect. 4. Every person who, for any such loan or forbearance, shall pay or deliver any greater sum or value than is above allowed to be received, and his personal representatives, may recover in an action against the person who shall have taken or received the same, and his personal representatives, the amount of the money so paid or value delivered, above the rate aforesaid, if such action be brought within one year after such payment or delivery.

If such suit be not brought within the said one year, and prosecuted with effect, then said sum may be sued for and recovered with costs, at any time within three years after the said one year, by any overseer of the poor of the town or city where such payment may have been made for the use of the poor of that town or city.

Sect. 5. All bond, bills, notes, assurances, conveyances, all other contracts or securities whatsoever, except bottomry and respondentia bonds and contracts, and all deposits of goods or other things whatsoever, whereupon or whereby there shall be reserved or taken, or secured or agreed to be reserved or taken, any greater sum, or greater value, for the loan or forbearance of any money, goods, or other things in action, than is above prescribed, shall be void.

Whenever it shall satisfactorily appear by the admission
10 of the defendant, or by proof, that any bond, bill, note, as-
11 surance, pledge, conveyance, contract, security or any evi-
12 dence of debt, has been taken or received in violation of the
13 foregoing provisions, the court shall declare the same to be
14 void, and enjoin any prosecution thereon, and order the
15 same to be surrendered and cancelled.

Sect. 6. No corporation shall hereafter interpose the de-
2 fense of usury in any action. The term corporation, as
3 used in this section, shall be construed to include all asso-
4 ciations, and joint-stock companies having any of the pow-
5 ers and privileges of corporation not possessed by individ-
6 uals or partnerships.

Sect. 7. A cause of action to cancel, or otherwise affect,
2 an instrument executed, or an act done, as security for a
3 usurious loan or forbearance, can be transferred, where the
4 instrument or act creates a specific charge upon the prop-
5 erty, which is also transferred in disaffirmance thereof, and
6 not otherwise; but, in that case, the transferee does not suc-
7 ceed to the right, conferred by statute upon the borrower,
8 to procure relief, without paying, or offering to pay, any
9 part of the sum or thing loaned.

Sect. 8. Every person who shall repay or return the mon-
2 ey, goods or other things so taken, accepted or received, or
3 the value thereof, shall be acquitted and discharged from
4 any other or further forfeiture, penalty or punishment,
5 which he may have incurred, by taking or receiving the

6 money, goods or other things so repaid, or returned, as
7 aforesaid.

Sect. 9. Whenever any borrower of money, goods or
2 things in action, shall begin an action for recovery of the
3 money, goods or things in action taken in violation of the
4 foregoing provisions of this article, it shall not be necessary
5 for him to pay or offer to pay any interest or principal on
6 the sum or thing loaned; nor shall any court require or com-
7 pel the payment or deposit of the principal sum or inter-
8 est, or any portion thereof, as a condition of granting relief
9 to the borrower in any case of usurious loans forbidden by
10 the foregoing provisions of this article.

Sect. 10. Whenever, in any statute, act, deed, written or
2 verbal contract, or in any public or private instrument what-
3 ever, any certain rate of interest, is or shall be mentioned,
4 and no period of time is stated for which such rate is to be
5 calculated, interest shall be calculated at the rate mentioned,
6 by the year, in the same manner as if the words "per an-
7 num" or "by the year" had been added to such rate.

Sect. 11. No person shall, directly or indirectly, take or
2 receive more than fifty cents for a brokerage, soliciting,
3 driving or procuring the loan or forbearance of one hun-
4 dred dollars, and in that proportion for a greater or less
5 sum, except loans on real estate security; nor more than
6 thirty-eight cents for making or renewing any bond, bill,
7 note, or other security given for such loan or forbearance,

8 or for any counter bond, bill, note or other security con-
9 cerning the same.

Sect. 12. Every person who shall pay, deliver or deposit
2 any money, property or thing in action, over and above the
3 rate aforesaid, and his personal representatives may, within
4 one year after such payment, deliver or deposit, sue for and
5 recover the same of the person so taking or receiving such
6 money, property or thing in action, or of his personal rep-
7 resentatives.

In case such suit shall not be brought within the time above
9 prescribed, in good faith, or in case it shall be discontinued,
10 or wilfully delayed, then the overseer of the poor of the city
11 or town where the offense was committed, may, within one
12 year after neglect, discontinuance or delay, sue for and re-
13 cover the money, property or thing in action, so received,
14 delivered or deposited, from the person receiving the same,
15 or his personal representatives, for the use of the poor of
16 the town.

Sect. 13. Upon the repayment and the return of the mon-
2 ey, property or thing so illegally received, with the payment
3 of the costs of such suit, the person making such return shall
4 be acquitted and discharged from any other punishment,
5 forfeiture or penalty, which he may have incurred by rea-
6 son of having so illegally received such money, property
7 or other thing so returned.

Sect. 14. Sections one to six inclusive of Chapter 46, Re-
2 vised Statutes of 1903, are hereby repealed.