

# HOUSE . . . . . No. 1035.

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Moved by Mr. Quinn of Boston as a substitute for House No. 792.

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## Commonwealth of Massachusetts.

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In the Year One Thousand Nine Hundred and Five.

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### AN ACT

To regulate the Rate of Interest in Certain Cases.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. No person or corporation shall,  
2 except in the case of bottomry and respondentia  
3 bonds, loans authorized to be made by licensed  
4 pawnbrokers, and demands loans of one thousand  
5 dollars and upward, directly or indirectly, take or  
6 receive, in money, goods or choses in action, or  
7 in any other way, any greater sum or greater  
8 value for the loan or forbearance of any money,  
9 goods or choses in action than at the rate of ten  
10 per centum per annum, unless otherwise specially  
11 authorized by law.

1 SECTION 2. In any action for the recovery of  
2 a loan bearing interest in excess of ten per centum  
3 per annum, the judgment recoverable in a suit at  
4 law shall not exceed the actual net amount of the  
5 sum loaned, with six per centum interest per  
6 annum. In transactions involving the exchange  
7 of an instrument of indebtedness for a greater  
8 sum of money than was actually borrowed, the  
9 actual sum borrowed shall be the real debt, except  
10 in cases when a negotiable promissory note is  
11 given and is in the hands of a bona fide purchaser  
12 for value and without notice, then the face value  
13 of the note, with any rate of interest named, not  
14 exceeding ten per centum, may be recoverable;  
15 but the payor shall have a right of action against  
16 the usurious lender to recover the difference be-  
17 tween the full amount paid on the note and the  
18 real net amount received in cash by the original  
19 borrower, and six per centum interest per annum.

1 SECTION 3. Proceedings may be brought in  
2 any court of equity to cancel any agreement which  
3 provides for a rate of interest in excess of the  
4 amount established by law.

1 SECTION 4. So much of any act as is incon-  
2 sistent herewith is hereby repealed; but this act  
3 shall not apply to any existing contract, obligation  
4 or suit.