

SENATE No. 123

To accompany the petition of James H. Doyle for legislation relative to interest and usury. Joint Judiciary.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eleven.

AN ACT

Relative to Interest and Usury.

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. In rendering judgments, and in all
2 business transactions when interest is paid, or se-
3 cured to be paid, it shall be computed and paid at
4 the rate of six dollars on a hundred dollars for one
5 year, unless a lower rate is expressly stipulated or
6 is provided by law.

1 SECTION 2. If any person, upon a contract, re-
2 ceives interest at a higher rate than six per cent,
3 he shall forfeit three times the amount so received
4 in excess of six per cent to the person paying such
5 excess, and such person may recover the sum so
6 forfeited by suit at law.

1 SECTION 3. No contract shall be rendered invalid
2 by reason of the securing thereby, or the paying or
3 receiving thereon, of a higher rate of interest than
4 six per cent; but the money secured thereby and
5 actually advanced or loaned thereon may be re-
6 covered, with interest at six per cent, after apply-
7 ing thereto as payments any excess of interest above
8 six per cent received thereon, such application to
9 be as of the dates of such receipts. The right to
10 such application shall exist and may be enforced
11 so long as the right of action upon the contract may
12 be maintained.

1 SECTION 4. If a person has recovered the excess
2 above six per cent interest so paid by him, he shall
3 not thereafter be entitled to have it applied as pro-
4 vided in the preceding section.

1 SECTION 5. Nothing in this act shall apply to the
2 letting of cattle or to other usages of like nature in
3 practice among farmers, or to maritime contracts,
4 such as bottomry, insurance or other maritime con-
5 tracts or to bills of exchange as heretofore used.

1 SECTION 6. All acts and parts of acts inconsis-
2 tent herewith are hereby repealed.