

CHAPTER 334

MONEY, RATES OF INTEREST

Sec.		Sec.	
334.01	Rate of interest	334.06	Agreements to share profits; building associations
334.02	Usurious interest; recovery	334.08	Date due or performable; Sundays and legal holidays
334.021	Corporation prohibited from interposing defense of usury	334.09	Corporate bonds; seal
334.03	Usurious contracts invalid; exceptions	334.10	Damages on international bills
334.04	Offenders to answer on oath	334.11	Rate of damage on interstate bills
334.05	Usurious contracts; cancelation	334.12	Instrument obtained by fraud

334.01 RATE OF INTEREST. The interest for any legal indebtedness shall be at the rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing; and no person shall directly or indirectly 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 \$8 on \$100 for one year; and, in the computation of interest upon any bond, note, or other instrument or agreement, interest shall not be compounded, but any contract to pay interest, not usurious, upon interest overdue, shall not be construed to be usury. Contracts shall bear the same rate of interest after they become due as before, and any provision in any contract, note, or instrument providing for an increase of the rate of interest after maturity, or any increase therein after making and delivery, shall work a forfeiture of the entire interest; but this provision shall not apply to notes or contracts which bear no interest before maturity nor shall it apply to any agreement which extends the maturity date of any contract, note, or instrument, and provides for an increased rate of interest after the original maturity date on the indebtedness then due, provided that any agreement which extends maturity date of any contract, note or instrument shall not provide for an increased rate of interest in excess of \$8 on \$100 for one year.

[R L s 2733; 1923 c 70 s 1; 1957 c 347 s 1] (7036)

334.02 USURIOUS INTEREST; RECOVERY. Every person who for any such loan or forbearance shall have paid or delivered any greater sum or value than in section 334.01 allowed to be received may, by himself or his personal representatives, recover in an action against the person who shall have received the same, or his personal representatives, the full amount of interest or premium so paid, with costs, if action therefor be brought within two years after such payment or delivery; provided, that one-half of the amount so recovered shall be paid by the officer collecting the same into the treasury of the county where collected, for the use of common schools.

[R. L. s. 2734] (7037)

334.021 CORPORATION PROHIBITED FROM INTERPOSING DEFENSE OF USURY. No corporation shall hereafter interpose the defense of usury in any action. The term "corporation," as used in this section, includes any association or joint stock company having any of the powers and privileges of corporations not possessed by an individual or a partnership.

[1947 c 282 s 1]

334.03 USURIOUS CONTRACTS INVALID; EXCEPTIONS. All bonds, bills, notes, mortgages, and all other contracts and securities, and all deposits of goods, or any other thing, whereupon or whereby there shall be reserved, secured, or taken any greater sum or value for the loan or forbearance of any money, goods, or things in action than hereinbefore prescribed, shall be void except as to bona fide purchasers of negotiable paper, in good faith, for a valuable consideration and before maturity, as hereinafter provided. No merely clerical error in the computation of interest, made without intent to avoid the provisions of this chapter, shall constitute usury. Interest at the rate of one-twelfth of eight percent for every 30 days shall not be construed to exceed eight percent per annum; nor shall the payment of interest in advance of one year, or any less time, at a rate not exceeding

MINNESOTA STATUTES 1961

3161

MONEY, RATES OF INTEREST 334.11

eight percent per annum constitute usury; and nothing herein shall prevent the purchase of negotiable mercantile paper, usurious or otherwise, for a valuable consideration, by an innocent purchaser, at any price before the maturity of the same, when there has been no intent to evade the provisions of this chapter, or where such purchase has not been a part of the original usurious transactions; but where the original holder of a usurious note sells the same to an innocent purchaser, the maker thereof, or his representatives, may recover back from the original holder the amount of principal and interest paid by him on the note.

[R. L. s. 2735; 1923 c. 283 s. 1] (7038)

334.04 OFFENDERS TO ANSWER ON OATH. Every person offending against the provisions of this chapter shall be compelled to answer, on oath, the complaint in any action brought against him in the district court of the proper county for the discovery of any sum of money, goods, or things in action so taken, accepted, or received in violation of any of the foregoing provisions.

[R. L. s. 2736] (7039)

334.05 USURIOUS CONTRACTS; CANCELATION. When it satisfactorily appears to a court that any bond, bill, note, assurance, pledge, conveyance, contract, security, or evidence of debt has been taken or received in violation of the provisions of this chapter it shall declare the same to be void, enjoin any proceeding thereon, and order it to be canceled and given up.

[R. L. s. 2737] (7040)

334.06 AGREEMENTS TO SHARE PROFITS; BUILDING ASSOCIATIONS. Nothing in this chapter shall be construed as in any way affecting any contract whereby one party advances money to be used in business or other ventures mutually determined upon, and whereby the party receiving such money agrees to refund the same, with lawfully stipulated interest, and, in addition thereto, agrees to share, equally or otherwise, with the party so advancing the money, the profits of such business or ventures; nor shall its provisions apply to mutual building associations.

[R. L. s. 2738] (7041)

334.07 [Repealed, 1955 c 8 s 2]

334.08 DATE DUE OR PERFORMABLE; SUNDAYS AND LEGAL HOLIDAYS. Any contract, promissory note, draft, check, acceptance, bill of exchange, or instrument becoming due or performable on Sunday or a legal holiday becomes due or performable on the next succeeding business day. When Sunday and a legal holiday fall on the same day the following day is a legal holiday. When Sunday and a legal holiday or when legal holidays fall on successive days any contract, promissory note, draft, check, acceptance, bill of exchange, or instrument becoming due on any of those days becomes due or performable on the business day next succeeding the last day thereof. The Monday following a legal holiday shall not be deemed a legal holiday for the transaction of public business by the legislature.

[1905 c 345 s 1; 1955 c 8 s 1; 1959 c 52 s 1] (7243)

334.09 CORPORATE BONDS; SEAL. Bonds and other obligations under seal for payment of money to bearer, or to some designated person or bearer, or to order, issued by any corporation or joint stock company, shall be negotiable in the same manner and to the same extent as promissory notes.

[R. L. s. 2740] (7244)

334.10 DAMAGES ON INTERNATIONAL BILLS. When any bill of exchange, drawn or endorsed in the state and payable without the United States, is duly protested for non-acceptance or non-payment, the party liable for the contents thereof, on due notice and demand, shall pay the same at the current rate of exchange at the time of the demand, and damages at the rate of ten percent upon the contents, together with the interest on such contents, computed from the date of protest. The amount of such contents, damages, and interest shall be paid in full of all damages, charges, and expenses.

[R. L. s. 2743] (7245)

334.11 RATE OF DAMAGE ON INTERSTATE BILLS. When any bill of exchange, drawn upon any person out of the state but within the United States, is duly presented for acceptance or payment, and is protested for non-acceptance or

MINNESOTA STATUTES 1961

334.12 MONEY, RATES OF INTEREST

3162

non-payment, the drawer or endorser thereof, after due notice of such dishonor, shall pay the bill according to its tenor, with interest and five percent damages, together with charges of protest.

[R. L. s. 2744] (7246)

334.12 INSTRUMENT OBTAINED BY FRAUD. No person, nor the heirs or personal representatives of any person, whose signature is obtained to any bill of exchange, promissory note, or other paper negotiable under the law merchant, shall be held liable thereon if it be made to appear that the signature was obtained by fraudulent representation, trick, or artifice as to the nature and terms of the contract so signed, that at the time of signing he did not believe it to be a bill of exchange, promissory note, or other paper negotiable under the law merchant, and that he was not guilty of negligence in signing such paper without knowledge of its terms. The question of negligence in any suit on such contract shall in all cases be one of fact for the jury, and the person sought to be charged thereon shall be entitled to have the question of his negligence submitted to a jury.

[R. L. s. 2747] (7247)

334.13 [Renumbered 335.042]

334.14 [Renumbered 335.043]

334.15 [Renumbered 335.044]