

CHAPTER 334

MONEY, RATES OF INTEREST

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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, except such instruments which are taken or received in accordance with and in reliance upon the provisions of any statute, 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 eight percent per annum constitute usury; and nothing herein shall prevent the purchase of negotiable

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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; 1965 c 391 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; CANCELLATION. When it satisfactorily appears to a court that any bond, bill, note, assurance, pledge, conveyance, contract, security, or evidence of debt is void under the provisions of this chapter it shall declare the same to be void, enjoin any proceeding thereon, and order it to be cancelled and given up.

[*R. L. s. 2737; 1965 c 391 s 2*] (7040)

334.06 AGREEMENTS TO SHARE PROFITS; BUILDING ASSOCIATIONS; BANKS FOR FARM COOPERATIVES. 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 or any banks for cooperatives created or operating under the Federal Farm Credit Act of 1933, as amended, which by law or contract with its borrowers operates as a cooperative.

[*R. L. s. 2738; 1967 c 341 s 1*] (7041)

334.07 [Repealed, 1955 c 8 s 2]

334.08 [Repealed, 1965 c 811 art 10 s 336.10-102]

334.09 [Repealed, 1965 c 811 art 10 s 336.10-102]

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 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 [Repealed, 1965 c 811 art 10 s 336.10-102]

334.13 [Renumbered 335.042]

334.14 [Renumbered 335.043]

334.15 [Renumbered 335.044]