

McCarthy, 57 Md. 559; Baltimore, etc., Society *v.* Taylor, 41 Md. 417; Robertson *v.* American, etc., Assn., 10 Md. 408; Coltrane *v.* Baltimore, etc., Assn., 110 Fed. 293. Cf. Williar *v.* Baltimore, etc., Loan Assn., 45 Md. 562; Citizens', etc., Co. *v.* Uhler, 48 Md. 458.

This section and section 138 have no application to a corporation chartered for "the purchase and improvement of real estate, advancing money on mortgages," etc., nor to a transaction which is nothing more nor less than a loan of money by an association and a mortgage of the borrower's property for the repayment of the loan with usurious interest. The fact that the borrower becomes a shareholder and the money advanced to him is called a redemption of his shares, is immaterial. Williar *v.* Baltimore, etc., Loan Assn., 45 Md. 562.

This section cannot be evaded so that more than six per cent. interest may be charged by combining the interest with the weekly instalment payments on the shares of stock. Transaction held usurious. Peter's Bldg. Assn. *v.* Jaecksch, 51 Md. 204.

A mortgage to a building association is not illegal because interest is payable weekly and fines are imposed for non-payment of dues. Stewart *v.* Workingmen's Bldg. Assn., 106 Md. 682.

Generally.

This section referred to in deciding that a building association was liable on a note discounted for the purpose of raising money to pay a borrower the amount advanced to him. Davis *v.* West Saratoga, etc., Union, 32 Md. 294.

This section referred to in construing section 138—see notes thereto. Sallsbury Assn. *v.* Wicomico County, 86 Md. 619.

For a case involving section 35 of article 26 of the code of 1860, see Shannon *v.* Howard Bldg. Assn., 36 Md. 394.

Cited but not construed in Baltimore Bldg. Assn. *v.* Powhatan Co., 87 Md. 64; International Fraternal Alliance *v.* State, 86 Md. 554; Faust *v.* Twenty-third, etc., Bldg. Assn., 84 Md. 190; Middle States Co. *v.* Hagerstown Mattress Co., 82 Md. 513.

As to loans upon chattels, and the rate of interest chargeable thereon, see sec. 124.

1904, art. 23, sec. 126. 1888, art. 23, sec. 99. 1868, ch. 471, sec. 88. 1880, ch. 351. 1894, ch. 321. 1904, ch. 240.

138. The payment of the unpaid instalments and the premium agreed upon for each share, and also all fines, assessment with interest on the money paid therefor as aforesaid, and all fines and penalties incurred in respect thereof by any member, shall be secured to such corporation by mortgage on real or leasehold property, or by the hypothecation or stock of such corporation held by such member, as may be provided in the articles of association or by-laws; but in case of hypothecation of stock, no greater sum of money shall at any time be drawn out by any member than shall have been already paid in by him on all his shares at the time of such hypothecation, and any such mortgage and the mortgage debt created thereby, and the shares of stock of any corporation, and of all building associations, are declared to be exempt from taxation to the extent of the investments of such corporation in mortgages, whether said mortgages be building association mortgages or ordinary mortgages, the property so mortgaged to the corporation being taxed in the hands of the mortgagor.

The exemption from taxation granted by this section, held not to apply to a corporation originally chartered as a fire insurance company by special act, and whose charter was, by a later act, amended so as to give it the power to purchase real property, lend money, etc. Emory *v.* State, 41 Md. 57.

The act of 1896, ch. 120, sections 146 A to 146 F (see article 81, section 187, *et seq.*), held not to include building associations, so as to take away the