

ARTICLE 49.

INTEREST AND USURY.

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| <p>1. Legal rate of interest.
 2. When plea of usury not available.
 3. What is usury?
 4. Penalty.</p> | <p>5. What plea of usury shall state.
 6. When usury is not a cause of action;
 renewals.</p> |
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An. Code, 1924, sec. 1. 1912, sec. 1. 1904, sec. 1. 1888, sec. 1. 1826, ch. 99. 1832, ch. 152.

1. Interest may be charged or deducted at the rate of six per centum per annum and the same may be calculated according to the standard laid down in Rowlett's tables.

This section referred to—see notes to art. 23, sec. 381. Pub. Serv. Commn. v. United Rwys. Co., 155 Md. 599.

Where owner of property, in order to sell property to one without means, procured loan from building and loan association for an amount greatly in excess of the cash price, this excess being immediately returned to the association as a bonus for making the loan, held that the bonus was paid by purchaser and that usury could be asserted by purchaser against building association. Glass v. Bldg. & Loan Asso., 156 Md. 26.

This section referred to in construing art. 58A. Finance Co., Inc., v. Catterton, 161 Md. 655.

See art. 23, sec. 129 and notes, and notes to sec. 6 (art. 49).

Statutes against usury cannot be evaded by any shift or device. No matter what form the transaction takes, if usury lurks therein, courts will condemn it. A renewal of an usurious transaction between the same parties, partakes of same infirmity; *contra*, if contract is a new one. Montague v. Sewell, 57 Md. 414; Andrews v. Poe, 30 Md. 487; Brown v. Waters, 2 Md. Ch. 208; Tyson v. Rickard, 3 H. & J. 113; Thomas v. Cathedral, 5 G. & J. 23; Stockett v. Ellicott, 3 G. & J. 123.

Although borrower is entitled to recover back the usurious surplus, such right of action is not created by Code. Code fixes rate of interest only. Williar v. Baltimore, etc., Loan Assn., 45 Md. 559.

It is not usurious to receive interest in advance upon notes discounted. Duncan v. Maryland Savings Institution, 10 G. & J. 311.

Usury depends upon intention, and if unintentionally Rowlett's tables are departed from, usury could not be deducted. Duvall v. Farmers' Bank, 7 G. & J. 60; Duncan v. Maryland Savings Institution, 10 G. & J. 311; Tyson v. Rickard, 3 H. & J. 109.

Cited but not construed in Hammond v. Hammond, 2 Bl. 308, note (m).

As to petty loans and charges thereon, see art. 58A.

An. Code, 1924, sec. 2. 1912, sec. 2. 1904, sec. 2. 1888, sec. 2. 1824, ch. 200.

2. No plea of usury shall be available against any legal or equitable assignee or holder of any bond, bill obligatory, bill of exchange, promissory note or other negotiable instrument, where such assignee or endorsee or holder shall have received the same for a *bona fide* and legal consideration, without notice of any usury in the creation or subsequent assignment thereof.

This section applied. Suspicious circumstances held insufficient to bring notice of the usury home to the assignee. Gantt v. Grindall, 49 Md. 313.

This section held not to apply because defendant was not the holder of any such instrument as is mentioned in this section. Montague v. Sewell, 57 Md. 416.

See notes to sec. 6 and to art. 23, sec. 129.

An. Code, 1924, sec. 3. 1912, sec. 3. 1904, sec. 3. 1888, sec. 3. 1704, ch. 69, sec. 1.

3. If any person shall exact, directly or indirectly, for loan of any money, goods or chattels to be paid in money above the value of six dollars

As to the "Blue Sky" law, see art. 32A, sec. 14, *et seq.*
See art. 3, sec. 57, of the Md. Constitution.