

(EXCERPTS FROM PERTINENT SECTIONS OF THE DISTRICT OF  
COLUMBIA CODE)

## D.C. CODE—TITLE 28, CHAPTER 33.—INTEREST AND USURY

## #28-3301. Rate of interest expressed in contract.

The parties to an instrument in writing for the payment of money at a future time may contract therein for the payment of interest on the principal amount thereof at any rate not exceeding 8 percent per annum. (Aug. 30, 1964, 78 Stat. 675, Pub. L. 88-509, #1, eff. Jan. 1, 1965.)

## #28-3302. Rate of interest not expressed and on judgments.

The rate of interest in the District upon the loan or forbearance of money, good, or things in action, and the rate to be allowed in judgments and decrees, in the absence of express contract, is 6 percent per annum. Interest, when authorized by law, on judgments against the District of Columbia, is at the rate of not exceeding 4 percent per annum. (Aug. 30, 1964, 78 Stat. 675, Pub. L. 88-509, #1, eff. Jan. 1, 1965.)

## #28-3303. Usury defined.

If a person or corporation contracts in the District.

(1) verbally, to pay a greater rate of interest than 6 percent per annum, or

(2) in writing, to pay a greater rate than 8 percent per annum, the creditor shall forfeit the whole of the interest so contracted to be received.

This section does not effect sections 26-601 to 26-611. (Aug. 30, 1964, 78 Stat. 675, Pub. L. 88-509, #1, eff. Jan. 1, 1965.)

## #28-3304. Action to recover usury paid.

If a person or corporation in the District directly or indirectly takes or receives a greater amount of interest than is declared by this chapter to be lawful, whether in advance or not, the person or corporation paying the same may within one year after the date of payment sue for and recover the amount of the unlawful interest so paid. (Aug. 30, 1964, 78 Stat. 676, Pub. L. 88-509, #1, eff. Jan. 1, 1965.)

## #28-3305. Unlawful interest credited on principal debt.

In an action upon a contract for the payment of money with interest at a rate forbidden by law, any payment of interest that may have been made on account of the contract is deemed to be payment made on account of the principal debt; and judgment shall be rendered for no more than the balance found due after deducting and properly crediting the interest so paid. A bona fide indorsee of negotiable paper purchased before due is not affected by any usury exacted by a former holder of the paper unless he had notice of the usury before his purchase. (Aug. 30, 1964, 78 Stat. 676, Pub. L. 88-509, #1, eff. Jan. 1, 1965.)

## #28-3306. Parties compelled to testify.

When in an action to recover a debt the defendant claims that payment of unlawful interest on the debt has been made to the plaintiff or those under whom he claims, which the defendant is entitled to have credited on the principal of the debt, the plaintiff or the party who received the unlawful interest may be examined as a witness to prove the payment, and may not be excused from testifying in relation thereto. A creditor who is made defendant in a proceeding for discovery as to payments of unlawful interest made to him may not be excused from answering. (Aug. 30, 1964, 78 Stat. 676, Pub. L. 88-509, #1, eff. Jan. 1, 1965.)

## D.C. CODE—TITLE 26, CHAPTER 6—MONEY LENDERS—LICENSES

§ 26-605. Rate of interest—Interest to cover all fees and expenses—Not to be deducted in advance—Statement to be furnished borrower—Amount of loans—Penalties.

No such person, firm, voluntary association, joint-stock company, incorporated society, or corporation shall charge or receive a greater rate of interest upon any loan made by him or it than one per centum per month on the actual amount of the loan, and this charge shall cover all fees, expenses, demands, and services of every character, including notarial and recording fees and charges, except upon the foreclosure of the security. The foregoing interest shall not be