

APPENDIX

INTEREST AND USURY STATUTES IN THE VARIOUS STATES¹

INTEREST—USURY

[¶ 31]

Interest—Usury Statutes . . .

Usury statutes prohibit the loan or forbearance of money at more than a specified rate of interest. The prescribed rates apply to legal, contract and judgment charges. Maximum legal rates are generally 6% per annum, but also range from 5% to 7%, and one state, North Dakota, limits its rate to 4%. The variations in the maximum contract rates are more noticeable. The rates range from 6% per annum to an unlimited amount, as agreed to by the parties. The states have provided a deterrent to the charging of excessive interest by prescribing a forfeiture of all, double or even triple the amount of interest taken or received. A few states make the contract void.

Chart Contents . . .

The chart sets out the maximum interest rates and related subjects under the following major headings:

Maximum Rates • Usury Penalty • Usurious Interest Payment •
Corporate Rates—Usury Defense

The "Maximum Rates" column is divided into three sub-columns titled: *Legal • Contract • Judgment*. The legal rate of interest is the rate fixed by law in all states. The contract rate is the rate the parties have agreed on, subject to the maximum prescribed by the law. The judgment rate is also fixed by law, as are the usury penalties and the effect of payment of usurious interest. Any statute covering the corporate defense of usury is set out under the "Corporate Rates—Usury Defense" column. Any special rate of interest on corporate borrowing also appears under this column. A reference is made to the absence in a state of a statute on special rates or usury defenses.

Full Text and Statutory References . . .

The chart provides selected law provisions in full text and statutory references for law summaries. The full text provisions cover all statutes referred to in the chart. Statutory references are set out in the chart by use of the state law section and code or statute designation.

Court Decisions—Opinions . . .

Leading court decisions and attorney general opinions appear under the applicable states, beginning at page 1407.

Other Interest Laws . . .

Other types of interest laws appear in their own charts. Instalment loan laws, which generally permit the lender to add the interest to or deduct it in advance from the loan, appear at ¶ 48. Small loan laws are charted at ¶ 41 and the legislation covering check loans at ¶ 73. Finance charges under retail instalment sales laws appear at ¶ 35. Industrial loan laws are charted at ¶ 44.

¹1968. Commerce Clearing House, Inc.