

## CHAPTER 334

## MONEY AND RATES OF INTEREST

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**334.01 RATE OF INTEREST.** The interest for any legal indebtedness shall be at the rate of \$6.00 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 \$8.00 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.

[R. L. s. 2733; 1923 c. 70 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 act, 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, 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 per cent for every 30 days shall not be construed to exceed eight per cent per annum; nor shall the payment of interest in advance of one year, or any less time, at a rate not exceeding eight per cent per annum constitute usury; and nothing herein shall prevent the

purchase of negotiable 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] (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; CANCELATION.** When it satisfactorily appears to a court that any bond, bill, note, assurance, pledge, conveyance, contract, security, or evidence of debt has been taken or received in violation of the provisions of this chapter it shall declare the same to be void, enjoin any proceeding thereon, and order it to be canceled and given up.

[R. L. s. 2737] (7040)

**334.06 AGREEMENTS TO SHARE PROFITS; BUILDING ASSOCIATIONS.** 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.

[R. L. s. 2738] (7041)

**334.07 CONTRACTS DUE ON HOLIDAYS.** Bills of exchange, promissory notes, and other contracts payable or to be performed on Sunday, Good Friday, Thanksgiving Day, or on any legal holiday, shall be payable or performable on the next succeeding business day.

[R. L. s. 2739] (7242)

**334.08 FOLLOWING DAY DEEMED HOLIDAY, WHEN.** All promissory notes, drafts, checks, acceptances, bills of exchange, or other evidences of indebtedness, falling due or maturing on Good Friday, Thanksgiving Day, Sunday, or on any legal holiday, shall be deemed due or maturing on the next succeeding business day; and when Sunday and one or more legal holidays, or two or more legal holidays, fall on the same day, the following day shall be deemed a legal holiday, and when Sunday and one or more legal holidays, or two or more legal holidays, immediately succeed each other, then such instrument, paper, or indebtedness shall be deemed as due or maturing on the day following the last of such days.

[1905 c. 345 s. 1] (7243)

**334.09 CORPORATE BONDS; SEAL.** Bonds and other obligations under seal for payment of money to bearer, or to some designated person or bearer, or to order, issued by any corporation or joint stock company, shall be negotiable in the same manner and to the same extent as promissory notes.

[R. L. s. 2740] (7244)

**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 per cent 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 per cent damages, together with charges of protest.

[R. L. s. 2744] (7246)

**334.12 INSTRUMENT OBTAINED BY FRAUD.** No person, nor the heirs or personal representatives of any person, whose signature is obtained to any bill of exchange, promissory note, or other paper negotiable under the law merchant, shall be held liable thereon if it be made to appear that the signature was obtained by fraudulent representation, trick, or artifice as to the nature and terms of the contract so signed, that at the time of signing he did not believe it to be a bill of exchange, promissory note, or other paper negotiable under the law merchant, and that he was not guilty of negligence in signing such paper without knowledge of its terms. The question of negligence in any suit on such contract shall in all cases be one of fact for the jury, and the person sought to be charged thereon shall be entitled to have the question of his negligence submitted to a jury.

[R. L. s. 2747] (7247)

**334.13 TRANSFER OF SECURITY RECEIPTS AND EQUIPMENT TRUST CERTIFICATES; DEFINITIONS.** For the purposes of sections 334.13 to 334.15:

(1) The term "security receipt" means any writing in and by which the signer sets forth that the person named therein, or the bearer, is entitled to receive a specified principal amount, par value or number of bonds, notes, debentures, shares of stock, voting trust certificates for shares of stock, scrip, or other security or securities of any kind or character, identified or described therein, absolutely or when, as and if received by the signer or upon any other contingency stated or referred to therein;

(2) The term "equipment trust certificate" means any writing in and by which the signer sets forth that the person named therein, or the bearer, is entitled to an interest or a share of a specified principal amount or par value in money in a trust under an identified trust indenture pursuant to the terms of which the title to rolling stock or equipment for use by or on the lines or routes of common carriers or to vessels or other marine equipment, is held by the trustees for the benefit of all the holders of the interests or shares.

For the purposes of sections 334.13 to 334.15, the character of any such security receipt or equipment trust certificate is not affected by the inclusion therein of other provisions not limiting the right of transfer and the negotiable quality thereof, as provided in sections 334.13 to 334.15.

[1927 c. 433 s. 1] (7247-1)

**334.14 MANNER OF TRANSFER.** The title to any security receipt or equipment trust certificate which by its terms entitles the bearer to the benefits thereof, may be transferred by the delivery thereof by any person in possession of the same, howsoever such possession may have been acquired.

The title to any security receipt or equipment trust certificate which by its terms entitles a person named therein to the benefits thereof and which provides, in substance, that title thereto is transferable with the same effect as in the case of a negotiable instrument, may be transferred by delivery thereof by any person in possession of the same, howsoever such possession may have been acquired, if endorsed in blank, or if it is endorsed to a specified person and the delivery is made to such person.

A person to whom title may be transferred, as in this section provided, and who shall have taken any such instrument from any other person for present or antecedent value and without notice of prior defenses or equities or claims of ownership enforceable against such other person, shall have absolute title thereto, free of any defense enforceable against or claims of ownership of the signer or any prior holder. Any holder of any such security receipt or equipment trust certificate, unless the same has been endorsed to a specified person other than the holder and has not been endorsed in blank by such specified person, shall be deemed prima

facie to have title thereto, as aforesaid; but when it is shown that the title of any person who has negotiated such instrument is defective, the burden is on the holder to prove that he or some person under whom he claims acquired the title as a holder for value and without notice, as aforesaid.

The provisions of this section shall not be applicable to the transfer of any security receipt or equipment trust certificate when it is shown that such transfer was made after the date fixed therein for the performance by the signer of his obligations thereunder, or, if no date is fixed, after the expiration of a reasonable time after the happening of the contingency upon which the signer became obligated to perform.

[1927 c. 433 s. 2] (7247-2)

**334.15 NEGOTIABILITY OF INSTRUMENTS NOT AFFECTED.** Sections 334.13 and 334.14 shall not be construed to limit or impair the negotiability or quasi negotiability, by agreement or otherwise, of any instrument, whether or not defined therein. The provisions of those sections shall apply only in respect of instruments issued after the date of the taking effect thereof.

[1927 c. 433 s. 3] (7247-3)