

An Act to amend the Act respecting Interest.

IN amendment of the Act respecting Interest, chapter fifty-eight of the Consolidated Statutes of Canada, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows :—

- 5** **1.** As regards contracts made before this Act comes into force, the law shall remain as it now is. Existing contracts.
- 10** **2.** As regards Banks and Banking Institutions, the rate of interest or discount which they may lawfully stipulate, take, reserve or exact, shall remain limited as it now is to the rate of seven per centum per annum; and the rates of premium they may lawfully charge on discounting notes in the cases mentioned in the fifth and seventh sections of the said Act, shall remain as now limited under the said sections. Banks.
- 15** **3.** As regards any Insurance Company or any Corporation or Association expressly authorized by Act of the Provincial Parliament to lend money at a higher rate of interest than six per cent., the rate which they may respectively lawfully stipulate, take, reserve or exact, shall remain as now limited by any such Act. Companies or Corporations who may lend money.
- 20** **4.** Six per cent. per annum shall (as provided by the eighth section of the said Act) continue to be the rate of interest in all cases where, by the agreement of the parties or by law, interest is payable and no rate has been fixed by the parties or by law. Where no rate is agreed on.
- 25** **5.** The second section of the said Act is hereby repealed as regards contracts made after this Act comes into force;—and except as regards Banks, Companies and Associations with respect to which special provision is made by sections two and three of this Act,—it shall not be lawful in or under any contract, to be made after the coming in force of this Act, to stipulate, take, reserve, exact or receive directly or indirectly, for the loan or forbearance of money or money's worth, a higher rate of interest than seven per centum per annum. Rate limited in other cases to 7 per cent. per annum.
- 30** **6.** The ninth section of the said Act is hereby repealed, except only as to offences committed, or forfeitures or penalties incurred, before the coming into force of this Act, with respect to all which it shall remain in force;—and any person, Bank, Corporation or Association or other party whatsoever, who stipulates, takes, reserves, exacts or receives, directly or indirectly, after the coming into force of this Act, for the loan or forbearance of money or money's worth, any greater or higher rate of interest than is declared to be lawful on such loan or forbearance, under this Act or the Act hereby amended so far as it is hereby continued in force with respect to such loan or forbearance,—shall by so doing forfeit all interest whatever, due or to become due, paid or payable by reason Section 9 repealed. Exception. Penalty for taking more interest than the law allows.