

3. The interest on loans made to farmers shall not exceed 12 per cent. per annum. Maximum rate of interest.

4. No interest shall become payable on interest due on any loan to a farmer until one year after such interest has become due. Compound interest.

5. Where proceedings are taken in any Court by a lender for the recovery of any money lent or advanced to a farmer, or for the enforcement of any agreement or security in respect of money lent or advanced, and there is evidence which satisfies the Court that the interest charged in respect of the sum actually lent or advanced is excessive, or that the amounts charged for expenses, enquiries, fines, bonus, premium, renewals or any other charges, are excessive or that the transaction is in any respect harsh and unconscionable, the Court may re-open the transaction and take an account between the lender and the farmer and may, notwithstanding any account stated, or bond, mortgage, or any agreement purporting to create an obligation, relieve the farmer of payment of any sum in excess of the sum adjudged by the Court to be fairly due, and if any excess over such sum has been paid or allowed on account by the farmer, may order the lender to repay it, and may set aside, or revise, or alter, any security given or agreement made in respect of money lent or advanced by the lender, and if the lender has parted with the security may order him to indemnify the farmer in respect thereof. Any Court in which proceedings might be taken for the recovery of money lent or advanced by a lender to a farmer shall have, and may at the instance of the farmer exercise, like powers as may be exercised under this section where proceedings are taken by the lender for the recovery of the money lent or advanced, and the Court shall have power, notwithstanding any agreement to the contrary, to entertain an application by the farmer notwithstanding that the time for repayment of the money lent or advanced may not have arrived. Remedy for excessive interest.

18 OF 1919.

TO AMEND THE LAW AS TO DEALINGS BETWEEN TRADERS AND FARMERS.

MALCOLM STEVENSON.]

[April 29, 1919.]

1. This Law may be cited as the Dealings between Merchants and Farmers Law, 1919. Short title.