
CHAPTER 340
MONEY LENDING
ARRANGEMENT OF SECTIONS

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CHAPTER 340
MONEY LENDING
An Act relating to money lending.
20 of 1913
[Commencement 7th July, 1913]

1. This Act may be cited as the Money Lending Act. Short title.
2. In this Act, unless the context otherwise requires — Interpretation.
“court” means the Supreme Court or any magisterial court to the extent to which it has civil jurisdiction under any Act.
3. (1) If proceedings are taken in any court by any person for the recovery of any money lent after the commencement of this Act or for the enforcement of any agreement or security made or taken after the commencement of this Act in respect of money lent, and if there is evidence which satisfies the court that that interest charged in respect of the sum actually lent is excessive, or that the amounts charged for expenses, inquiries, fines, bonus, premiums, renewals or any other charges, are excessive, and that, in either case, the transaction is harsh and unconscionable, or is otherwise such that a court of equity would give relief, the court may — Powers of the court.
 - (a) re-open the transaction and take an account between the lender and the person sued;
 - (b) notwithstanding any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation re-open any account, already taken between them, and relieve the person sued from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of such principal, interest and charges, as the court, having regard to the risk and all the circumstances, may adjudge to be reasonable;
 - (c) if any such excess has been paid, or allowed in account, by the debtor, order the creditor to repay it;

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- (d) set aside, either wholly or in part, or revise, or alter, any security given or agreement made in respect of money lent;
 - (e) if the lender has parted with the security, order him to indemnify the borrower or other person sued.

Proceedings by
borrower against
lender.

(2) Any court in which proceedings might be taken for the recovery of money lent by any person shall have and may, at the insistence of the borrower or surety or other person liable, exercise the like powers as may be exercised under this section, where proceedings are taken for the recovery of money lent, and the court shall have power, notwithstanding any provision or agreement to the contrary, to entertain any application under this Act by the borrower or surety, or other person liable, notwithstanding that the time for repayment of the loan, or any instalment thereof, may not have arrived.

Bankruptcy.

(3) On any application relating to the admission or amount of a proof by a person who has lent money in any bankruptcy proceedings, the court may exercise the like powers as may be exercised under this section when proceedings are taken for the recovery of money.

Application to all
money lending.

(4) The foregoing provisions of this section shall apply to any transaction which, whatever its form may be, is substantially one of money lending.

Bona fide
assignee.

(5) Nothing in the foregoing provisions of this section shall affect the rights of any *bona fide* assignee or holder for value without notice.

Existing powers
of court.

(6) Nothing in this section shall be construed as derogating from the existing powers or jurisdiction of any court.