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**CHAPTER 341****RATE OF INTEREST****ARRANGEMENT OF SECTIONS**

## SECTION

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## CHAPTER 341

## RATE OF INTEREST

**An Act to regulate the rate of interest which may be charged on loans and for purposes connected therewith.***25 of 1948**6 of 1980**5 of 1987**15 of 1990**[Commencement 17th August 1948]*

1. This Act may be cited as the Rate of Interest Act. Short title.
2. In this Act, unless the context otherwise requires — Interpretation.  
“court” means the Supreme Court, or a magistrate’s court to the extent to which it has civil jurisdiction under any Act.
3. The rate of interest which may be charged by any person on any loan of money made after the commencement of this Act shall not directly or indirectly exceed twenty per centum per annum simple interest on loans of more than one hundred dollars, or thirty per centum per annum simple interest on loans of one hundred dollars or any less amount irrespective of the date fixed for repayment of the said loan. Rates of interest on loans.  
*5 of 1987, s. 2.*
4. Any contract, promissory note, bill of exchange, cheque, receipt or any other document entered into after the commencement of this Act, whereby a rate of interest higher than that authorised by section 3 of this Act purports to be payable either expressly or by implication in respect of any loan, shall be absolutely null and void, and no proceedings shall be entertained in any court either for the recovery of the loan or of any interest thereon. Contracts to pay unauthorised rates void.
5. For the purposes of the Money Lending Act, and the granting of relief thereunder, the fact that interest has been charged on any loan made prior to the commencement of this Act at a rate higher than that authorised by section 3 of this Act shall be conclusive evidence that the rate of interest charged was excessive, and that the transaction was harsh and unconscionable. Transaction harsh and unconscionable if rates exceeded on loans made prior to this Act.  
Ch. 340.

When loan  
deemed to be  
made.

**6.** Where any loan made before the commencement of this Act is renewed after the commencement of this Act, or where any note or other document is executed after the commencement of this Act in respect of a loan made prior thereto, such loan shall be deemed to have been made, and such note or other document to have been executed, in respect of a loan made after the commencement of this Act.

Penalties.  
*5 of 1987, s. 2.*

**7.** Any person who contravenes or attempts to contravene any of the provisions of this Act shall be guilty of an offence, and shall be liable on summary conviction to a fine of four hundred dollars or six months imprisonment or to both.

Application of  
this Act.  
*6 of 1980, s. 2.*

**8.** Notwithstanding anything to the contrary, this Act shall not apply to any loan made —

- (a) in a currency other than the currency of The Bahamas;
- (b) in the currency of The Bahamas by any institution licensed under the Banks and Trust Companies Regulation Act.

Ch. 316.

Saving.  
*15 of 1990, s. 2.*

**9.** Notwithstanding anything to the contrary in section 4 no document referred to in that section heretofore or hereafter made shall be or be deemed to be or ever to have been null and void by reason only of a provision therein for the capitalisation of interest in arrears and the consequential payment of compound interest resulted or could result in the contravention of section 3:

Provided that in any case where the maximum rate of interest permitted by 3 shall in fact have been exceeded by virtue of the capitalisation of interest in arrears the amount of such excess shall not be recoverable by action or otherwise and in any such case where the excess has been paid it shall be recoverable from and payable by the recipient or his successor in title.