

This judicial conversion of the interest into principal, has, in some respects, the appearance of allowing compound interest, and of being in fact usurious; but it is not so. *Chambers v. Goldwin*, 9 Ves. 271; May, 1781, ch. 17, s. 2 and 3. Compound interest is the annual or periodical conversion of interest into principal, so that the whole may carry interest to the end of the next year or period, and so on. The contracting for which originally would be deemed illegal. *Neal v. The Attorney-General, Mosely*, 247; *Bosanquett v. Dashwood, Ca. Tem. Tal.* 40; *Chambers v. Goldwin*, 9 Ves. 271; *Howard v. Harris*, 1 Vern. 194; *Sackett v. Bassett*, 4 Mad. 64.

But where the interest is converted into principal by a judgment at common law, or by an order of this Court, it is because of the whole being found to be then due as an entire debt, which is so judicially required to be paid, on which, if the debtor fails to pay as commanded, he must, thenceforward, be charged with interest upon the whole amount so adjudged to be due. *Shepherd v. Mackreth*, 2 H. Blac. 284; *Bickham v. Cross*, 2 Ves. 471; *Creuze v. Lowth*, 4 Bro. C. C. 318, 158. And upon similar principles, on a bill to foreclose, or redeem a mortgage, if, by the decree, the mortgagor is allowed a certain time to redeem, by the payment of principal, interest and costs down to a specified day; and if he fails to do so, the interest will be added to the principal, and the whole will, thenceforward bear interest. *Bickham v. Cross*, 2 Ves. 471; *Harris v. Harris*, 3 Atk. 722; *Creuze v. Hunter*, 2 Ves. Jun. 158; *Atkinson v. Hall, ante*, 371.

**383** \* Interest is always allowed on debts secured by a mortgage; and where an account is stated, with the knowledge of the mortgagor, and the whole amount, principal and interest, is paid by an assignee of the mortgagee, with the assent of the mortgagor; such aggregate amount of principal and interest, shall bear interest in favor of the assignee. And so too, where the principal and interest has been paid by a surety he shall have interest upon the whole. *Powel Mortg.* 903, 905; 2 *Fonb.* 438. Such a conversion of interest into principal in favor of an assignee of a mortgagee, a surety, and the like, is founded upon an express, or implied contract between the parties, as to a separate or single transaction; and is not considered illegal, as it would be, if done under an original contracting, for the compounding of interest, or for a periodical conversion of the interest into principal. *Ossulton v. Yarmouth*, 2 Salk. 449; *Perkyns v. Baynton*, 1 Bro. C. C. 574; *Ex parte Bevan*, 9 Ves. 224; *Chambers v. Goldwin*, 9 Ves. 271; *Caliot v. Walker*, 2 Anstr. 495; *Eaton v. Bell*, 7 Com. Law Rep. 14.

On a bill for an account and the like, by a creditor to obtain payment from his debtor; or on a bill to recover a legacy, the subsequent interest is computed, not upon the aggregate amount found due at the time of the decree; but on the principal only, from the time the debt was liquidated, or became payable until it is paid or