

The money paid by a building association for the purchase or redemption of stock is not a loan to the shareholder to be repaid by him with interest, and, therefore, no question of usury can arise. Transaction held usurious. This section referred to in construing sec. 152—see notes thereto. *Commercial Assn. v. Mackenzie*, 85 Md. 142. And see *Washington Bldg. Assn. v. Andrews*, 95 Md. 700; *Faust v. Twenty-third, etc., Bldg. Assn.*, 84 Md. 190; *Home, etc., Bldg. Assn. v. Thursby*, 58 Md. 288; *Border State Bldg. Assn. v. McCarthy*, 57 Md. 559; *Baltimore, etc., Society v. Taylor*, 41 Md. 417; *Robertson v. American, etc., Assn.*, 10 Md. 408; *Coltrane v. Baltimore, etc., Assn.*, 110 Fed. 293. *Cf. Williar v. Baltimore, etc., Loan Assn.*, 45 Md. 562; *Citizens', etc., Co. v. Uhler*, 48 Md. 458.

This section and sec. 165 have no application to a corporation chartered for "the purchase and improvement of real estate, advancing money on mortgages," etc., nor to a transaction which is nothing more nor less than a loan of money by an association and a mortgage of the borrower's property for the repayment of the loan with usurious interest. The fact that the borrower becomes a shareholder and the money advanced to him is called a redemption of his shares, is immaterial. *Williar v. Baltimore, etc., Loan Assn.*, 45 Md. 562.

This section cannot be evaded so that more than six per cent. interest may be charged by combining the interest with the weekly instalment payments on the shares of stock. Transaction held usurious. *Peter's Bldg. Assn. v. Jaecksch*, 51 Md. 204.

A mortgage to a building association is not illegal because interest is payable weekly and fines are imposed for non-payment of dues. *Stewart v. Workingmen's Bldg. Assn.*, 106 Md. 682.

Generally.

This section referred to in deciding that a building association was liable on a note discounted for the purpose of raising money to pay a borrower the amount advanced to him. *Davis v. West Saratoga, etc., Union*, 32 Md. 294.

This section referred to in construing sec. 165—see notes thereto. *Salisbury Assn. v. Wicomico County*, 86 Md. 619.

For a case involving sec. 35 of art. 26 of the Code of 1860, see *Shannon v. Howard Bldg. Assn.*, 36 Md. 394.

Cited but not construed in *Baltimore Bldg. Assn. v. Powhatan Co.*, 87 Md. 64; *International Fraternal Alliance v. State*, 86 Md. 554; *Faust v. Twenty-third, etc., Bldg. Assn.*, 84 Md. 190; *Middle States Co. v. Hagerstown Mattress Co.*, 82 Md. 513.

As to loans upon chattels, and the rate of interest thereon, see sec. 152.

An. Code, sec. 138. 1904, sec. 126. 1888, sec. 99. 1868, ch. 471, sec. 88. 1880, ch. 351. 1894, ch. 321. 1904, ch. 240. 1916, ch. 312.

165. The payment of the unpaid instalments and the premium on the share or shares so purchased or redeemed, with interest on the money paid therefor as aforesaid, and all fines and penalties incurred in respect thereof by any member, shall be secured to such corporation by mortgage on real or leasehold property, or by the hypothecation of stock of such corporation held by such member or by judgment of a court of law or by a justice of the peace or by a decree of a court of equity all as may be provided in the articles of association or by-laws; but in case of hypothecation of stock no greater sum of money shall at any time be drawn out by any member than shall have been already paid in by him on all his shares at the time of said hypothecation, and any such mortgage and the mortgage debt created thereby, and any such judgment or decree and the shares of stock of any such corporation and of all building associations are declared to be exempt from taxation to the extent of the investment of such corporation in mortgages, whether said mortgages be building association mortgages or ordinary mortgages and in judgments, decrees and loans on hypothecated