WEST VIRGINIA CODE: §47-6-5

§47-6-5. Legal rate of interest; agreements in writing fixing rate of interest; agreements in writing fixing rate of interest for residential real estate purposes; providing there may be no penalty upon prepayment; quarterly reports required.

(a) Except in cases where it is otherwise specially provided by law, legal interest shall continue to be at the rate of $6 upon $100 for a year, and proportionately for a greater or less sum, or for a longer or shorter time, and no person upon any contract other than a contract in writing shall take for the loan or forbearance of money, or other thing, above the value of such rate: Provided, That a charge of $1 may be made for any loan or forbearance of money or other thing, where the interest at the rate aforesaid would not amount to that sum, and the same shall not be a usurious charge or rate of interest.

(b) Parties may contract in writing for the payment of interest for the loan or forbearance of money at a rate not to exceed $8 upon $100 for a year, and proportionately for a greater or less sum, or for a longer or shorter time, including points expressed as a percentage of the loan divided by the number of years of the loan contract.

(c) As an alternative to the interest rate authorized by the provisions of subsections (a) or (b) of this section and any interest rate authorized by any other provision of this code, where a loan of money is made for the purpose of purchasing real estate upon which is situate a single-family or multifamily residential unit or units, or for the construction of a single-family or multifamily residential unit or units upon real estate, or additions or improvements thereto, or for the purpose of the payment of a loan theretofore made for the construction of a single-family or multifamily residential unit or units upon real estate, and any such loan is secured by a first mortgage or first deed of trust upon such real property, after the effective date of this section and until July 1, 1975, the parties may contract in writing for the payment of interest for such loan of money at a rate not to exceed $9 upon $100 for a year and proportionately for a greater or less sum, or for a longer or shorter time, including points expressed as a percentage of the loan divided by the number of years of the loan contract, and such maximum rate shall be valid for the term of such contract: Provided, That the parties may contract in writing for the payment of interest for such loan of money at the rate specified in this subsection (c) only if such contract in writing also specifies that there shall be no penalty whatever for prepayment of the loan in whole or in part by cash, a new loan or otherwise, and such contract provision prohibiting any such penalty shall govern and control notwithstanding any other provision of this code to the contrary, whether such other provision was enacted before or after the enactment of this section: Provided, however, That no such contract shall contain an escalation of interest clause which would allow an increase in the rate of interest being charged.

(d) For the purpose of subsections (b) and (c) of this section, the term "points" is defined as the amount of money, or other consideration, received by the lender, from whatever source, as a consideration for making the loan and not otherwise expressly permitted by statute.

www.Legislature

(e) In order for the Legislature to determine whether the period of time during which parties may enter into a contract for the payment of the maximum rate of interest authorized in subsection (c) of this section should be extended beyond June 30, 1975, the commissioner of banking shall promulgate rules and regulations requiring all banking institutions, savings and loan associations and other financial institutions making loans in this state of the type specified in said subsection (c) to file with him quarterly reports as to the number and amount of loans of the type specified in said subsection (c) made during the preceding quarter, and such quarterly reports shall contain sufficient detail for the Legislature to ascertain whether the authorization of the maximum interest rate provided in said subsection (c) has resulted in the making of more loans of the type specified in said subsection (c). The first such report shall cover the quarter which began on April 1, 1974.

WV Legislature