

Case No. 10,339.

NORTHWESTERN MUT. LIFE INS. CO. V.
PERRILL ET AL.

[4 Civ. Law Bul. 196.]

Circuit Court, S. D. Ohio.

1879.

INTEREST—PAYABLE SEMI ANNUALLY—INTEREST
ON UNPAID INSTALLMENTS.

The complainant filed its bill in equity against Zebulon H. Perrill and others, to foreclose a mortgage given to secure the payment of the amount stipulated in the fulfillment of the terms and conditions contained in a certain bond. The said bond, among other things, contained the following provisions, viz.: "That if said bounden, Zebulon H. Perrill, his heirs, executors, administrators, or any of them, shall well and truly pay, or cause to be paid, unto the above mentioned, the Northwestern Mutual Life Insurance Company, or to its certain attorneys, successors or assigns, the full and just sum of eight thousand dollars at the expiration of five years from date of these presents, with interest thereon until paid at the rate of eight per centum per annum, payable semi-annually on the first day of January and of July in each and every year," etc. It was conceded that the terms of the mortgage had been broken, and that the complainant was entitled to a decree of foreclosure for the amount stipulated for in the bond, with interest from January 1, 1877, the manner of computing the interest being submitted to the court.

Sayler & Sayler, for complainant.

B. H. Bostwick, for respondents.

SWING, District Judge. By the terms of the bond, the principal is to be paid at the expiration of five years, with interest thereon until paid at the rate of eight per centum. Following the case of *Monnett v. Sturges*, 25 Ohio St. 384, we hold that the contract is to pay interest at the rate of eight per cent until the principal debt is paid, and not merely for the time the bond is to run. It is stipulated that this interest is payable semi-annually. Where semi-annual installments of interest have become due, and are not paid, each such installment of interest will bear

interest from the time it is due, at the rate of six per cent. Dunlap v. Wiseman, 2 Disn. 398; Monnett v. Sturges, 25 Ohio St. 384; Cramer v. Lepper, 26 Ohio St. 59. The complainant will therefore be entitled to interest on the principal debt at the rate of eight per centum from January 1st, 1877, until the time of taking the decree, and interest at six per cent per annum upon each semi-annual installment of interest from the time when they respectively fell due. Decree accordingly.

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