

Applying the above rule, it will be observed that if a note is dated February 1st, and bearing interest from date, and payable one month after date, it would be payable on March 1st. Under these circumstances, by using the month rule it is evident that the borrower would owe the bank one month's interest, or one twelfth of the yearly interest, yet the borrower would have only had the use of the money for twenty eight days.

It has been held that calling thirty days a month is not usurious, and where the excess amount of interest received is insignificant it does not constitute usury; and it has been held that long continued practice of banks taking interest according to printed tables not exactly correct may be conclusive of good faith. See Perley's Law of Interest, page 224.

In view of the foregoing, and especially in view of the decision of the supreme court of Ohio heretofore referred to, holding that a rule of a bank will be presumed to be reasonable and the burden is upon those attacking the rule to show that it is unreasonable it is believed that in the absence of judicial decisions holding the three hundred and sixty day rule to be unreasonable, this department is not justified in saying that it is unlawful to calculate interest in accordance with said rule. However, as heretofore stated, it is undoubtedly the proper method where exactness is required to use the three hundred and sixty five day method when the time is expressed in days. In this respect municipalities in the interest of efficiency should use the three hundred and sixty-five day method in those cases in which it works to its advantage.

However, it may be observed that there are cases in which the municipality must comply with the rules of the bank before they may secure a loan. In such cases, of course, they would be justified in using the method to which you have referred. Perhaps the time may arrive when the three hundred and sixty day method may, in the interest of exactness and efficiency, be supplanted by the three hundred and sixty-five day rule, or legislation may provide for such a rule in all cases; but until such a rule is established by the legislature or by custom or usage, I am constrained to hold that the method in general use cannot be said to be illegal.

Respectfully,

JOHN G. PRICE,
Attorney-General.

1482.

APPROVAL, BONDS OF UPPER SANDUSKY, OHIO, IN AMOUNT OF
\$12,500 FOR FIRE ENGINE.

COLUMBUS, OHIO, August 6, 1920.

Industrial Commission of Ohio, Columbus, Ohio.

1483.

APPROVAL, BONDS OF ASHLAND COUNTY, OHIO, IN AMOUNT OF
\$83,000 FOR ROAD IMPROVEMENTS.

COLUMBUS, OHIO, August 6, 1920

Industrial Commission of Ohio, Columbus, Ohio.