

Usury Opinions in Wisconsin Real Estate Opinions

In commercial loan transactions involving real property located in the State of Wisconsin, lenders frequently call upon local Wisconsin counsel to opine whether the interest and other charges to be paid by the borrower pursuant to the proposed transaction will not be considered to be usurious. For example, Reinhart was recently asked to give the following usury opinion as local real estate counsel:

The provisions of the Loan Documents pertaining to the payment of interest on the Loan do not violate the usury laws of the State of Wisconsin.

Fortunately, this is one of the easier opinions for a Wisconsin attorney to give when he or she is serving as local real estate counsel. The governing statute on usury in Wisconsin is Wisconsin Statutes section 135.05. Section 138.05(8)(c) eliminates the concept of usury for any commercial loan or forbearance entered into after November 1, 1981. Assuming the transaction involves a commercial loan (as opposed to a loan primarily for personal, family or household purposes), Wisconsin local counsel seemingly should be able to provide some form of usury opinion.

Below please find the form of usury opinion that Reinhart would typically provide to a lender in a commercial loan transaction:

The transactions contemplated by the Loan Documents, including the interest reserved in the Note and all fees and charges paid or payable by or on behalf of Borrower or received or receivable by Lender, are not usurious under Wisconsin law or violative of any law or regulation of the State of Wisconsin governing the payment or receipt of interest.

If you have questions about the information contained in this E-Alert, please contact your Reinhart attorney, [John Murphy](#), [Nathan Wautier](#) or any member of the Reinhart Real Estate Opinion Team.

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