

Insights

Reminder: Post-Judgment Interest on Indiana State-Court Judgments Tolloed Until August 15, 2020

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This is a reminder that pursuant to the March 23, 2020 *Order* and the May 29, 2020 *Order Extending Trial Courts' Emergency Tolling Authority and Setting Expiration of Other Emergency Orders* issued by the Indiana Supreme Court, the Court ordered that "no interest shall be due or charged during this tolled period", which "tolled period" the Court extended through August 14, 2020. Pursuant to Indiana law, normally interest on state-court judgments is allowed at either "the rate agreed upon in the original contract sued upon, which shall not exceed an annual rate of eight percent (8%) even though a higher rate of interest may properly have been charged according to the contract prior to judgment," or "an annual rate of eight percent (8%) if there was no contract by the parties" (emphasis added). Ind. Code §24-4.6-1-101.

By contrast, interest on judgments issued by federal courts sitting in Indiana are not affected by these Indiana Supreme Court Orders, and interest on federal judgments is calculated according to a different formula pursuant to 28 U.S.C. §1961 (specifically, "from the date of the entry of the judgment, at a rate equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the calendar week preceding the date of the judgment").

Takeaway: Unless the Indiana Supreme Court further extends the effect of its May 29, 2020 *Order*, post-judgment interest on Indiana state-court judgments once again may begin accruing at a maximum annual rate of eight percent (8%) on August 15, 2020.

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