CHAPTER 47-12
LOANS OF PERSONAL PROPERTY FOR USE

47-12-01. Loan for use defined.
A loan for use is a contract by which a lender gives to a borrower the temporary possession
and use of personal property and the borrower agrees to return the identical personal property
to the lender at a future time without reward for its use.

47-12-02. Degree of care to be exercised by borrower.
A borrower for use shall exercise great care for the preservation in safety and in good
condition of the personal property borrowed.

47-12-03. Degree of skill to be exercised by borrower.
A borrower for use is bound to have and exercise such degree of skill in the care of the
personal property borrowed as the borrower causes the lender to believe the borrower to
possess.

47-12-04. Humane treatment of animals.
One who borrows a living animal for use shall treat it with great kindness and provide
everything necessary and suitable for its general well-being.

47-12-05. Retention of title and increase by lender.
A loan for use does not transfer the title to the personal property. Its total increase during the
period of the loan belongs to the lender.

47-12-06. Use by borrower limited to anticipated purposes.
The borrower of personal property for use may use it for such purposes only as the lender
might reasonably anticipate at the time of lending.

47-12-07. Lender's consent necessary in a third-party transaction.
The borrower of personal property for use shall not part with it to a third person without the
consent of the lender.

47-12-08. Expenses in connection with borrowed personal property to be borne by
borrower. Exception.
The borrower of personal property for use must bear all expenses in connection therewith
during the time the same is held under the loan, except such expenses as are necessary to
preserve the property from unexpected and unusual injury. For such expense, the borrower is
entitled to compensation from the lender who, however, may exonerate the lender by
surrendering the property to the borrower.

47-12-09. Lender to indemnify borrower for damages caused by concealed defects.
The lender of personal property for use shall indemnify the borrower for damages caused
by defects or vices in it about which the lender knew at the time of lending and concealed from
the borrower.

47-12-10. Reparation of personal property by borrower.
A borrower for use must repair all deteriorations or injuries to the personal property
borrowed which are occasioned by the borrower's negligence, however slight.

47-12-11. Return of property on demand of lender.
The lender of personal property for use may require its return at any time even though the
lender lent it for a specified time or purpose. If, on the faith of such an agreement, the borrower
has made such arrangements that a return of the property before the time agreed upon would
cause the borrower loss exceeding the benefit derived by the borrower from the loan, the lender shall indemnify the borrower for such loss if the lender compels such return and the borrower has not violated the borrower's duty in any manner.

47-12-12. Time for return of personal property to lender.

If personal property is lent for use for a specified time or purpose, it must be returned to the lender without demand as soon as the time has expired or the purpose has been accomplished. In any other case, it need not be returned until demanded. The borrower of personal property for use shall return it to the lender at the place contemplated by the parties at the time of the lending, or if no particular place was contemplated by them, at the place where it was at the time of the lending.