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.