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# Pawnbroking: Coming to America, Observations of Statutory Non-Uniformity and a Call for Uniform Legislation†

JARRET C. OELTJEN\*

It's dim and cluttered as the bottom of a housing-project airshaft. Bongo drum and engagement ring and ghetto blammer: the scant collateral of existence. . . . Mexican maraca and tennis racquet and gold chain: you can window-shop human lives there.<sup>1</sup>

## I. INTRODUCTION

THE stereotypical pawnshop, if it ever existed beyond the images projected on the silver screen, appears doomed to extinction. The dark, dingy, seedy pawnshop with its disarray of miscellaneous merchandise, much of which was probably stolen from its original owners, overseen by the haunted pawnbroker, as portrayed by Rod Steiger in the 1965 movie, "The Pawnbroker," is going out of business—being *driven* out of business is perhaps more accurate. The pawnbroker is being driven out of business by changing neighborhood demographics and zoning,<sup>2</sup> by non-profitability as legislative limits severely inhibit earning power,<sup>3</sup> and by the paucity of trusted assistants and managers as replacements for family members unconvinced of the merit of assisting in the business.<sup>4</sup> The

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† This is the second and concluding article in a series by the author examining pawnbroking lore and legislation. See Oeltjen, *Pawnbroking on Parade*, 37 BUFFALO L. REV. 751 (1989).

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1. Mano, *Pawnbroker's Soliloquy*, NAT'L REV., Mar. 22, 1985, at 58.

2. Denver provides an interesting case study of the effects of restrictive zoning laws on pawnbrokers. Laws that limited the location of pawnshops in Denver to high rent zones in the downtown district, coupled with other economic woes and regulations, caused the number of pawnshops to dwindle from approximately forty-five shops thirty-five years ago, to ten at present. *Pawnshops Profit From Failing Economy*, Denver Post, Feb. 27, 1989, at 131, col. 3.

3. Arizona, for example, limits the interest rate that pawnbrokers may charge to 2% per month, and requires that any surplus from the sale of unredeemed pawns be returned to the pledger. See Survey of Pawnbroking Legislation, *infra* at 233.

4. One Ohio pawnshop operator, aged forty, remarked, "Many of my generation chose not to get involved with the [pawnbroking] business so there was a decline in the number of shops." *Sydmore's Aging Nicely at 50*, Akron Beacon Journal, June 11, 1989, at B6, col. 2.

pawnbroker is going down with his generations-old family business. At one extreme, he and his progeny have been replaced by a new breed—entrepreneurs such as Jack Daugherty of Cash America Investments, Inc.,<sup>5</sup> Melvin Wedgle of U.S. Pawn, Inc.,<sup>6</sup> and Miley O'Neal of South Florida "Happy Hocker" fame.<sup>7</sup> All these businessmen have either taken or are in the process of taking pawnshops public, and building them into multi-outlet chains. The largest, Cash America, now boasts over 120 pawnshops and three jewelry stores in four states.<sup>8</sup>

At the other extreme are the many pawnshops that have simply disappeared.<sup>9</sup> At some level, pawnbroker extinction could probably be traced to the tarnished reputation of brokers as friends of fiends, fences to thieves, and caterers to a clientele of "druggies" and other undesirables. Since American pawnshops are essentially "ma and pa" operations,<sup>10</sup> for the shop to expand, or to even continue, there has to be a family member willing to take over. Jack Daugherty of Cash America noted this fact when he remarked, "In a mom- and pop-pawnshop, a guy can go to work for them and when it comes time for them to retire, the kids take over."<sup>11</sup> Because of the negative stereotype associated with pawnbrokers and their

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5. Cash America, a trans-Texas chain of thirty-five pawnshops went public early in 1987 at ten dollars per share. Pederson, *Pawnshops Strike Gold*, NEWSWEEK, Mar. 16, 1987, at 53. In July, 1989, the company was operating 106 pawnshops in Texas, Louisiana, Oklahoma, and Tennessee. *Pawn Scheme*, FORBES, July 10, 1989, at 140. Late in 1988, Cash America offered to acquire Colortyme and its network of 500 franchised rent-to-own businesses. *Cash America Makes Deal To Purchase Colortyme*, Fort Worth Star Telegram, Aug. 11, 1988, at 1, col. 2. Cash America failed to pursue the acquisition because, according to Cash America's investor relation director, it was not comfortable with Colortyme's debt structure. *Pawn Chain Drops Bid For Colortyme*, Dallas Times Herald, Oct. 12, 1988, at C1, col. 4.

6. Melvin Wedgle, chief executive officer of U.S. Pawn, and the third generation of the Denver Wedgle family in the pawnshop business, asserted that, in taking his pawnshops public, "We're trying to make this a legitimate business . . . Our stores don't look like pawnshops. We try to make them like warm, inviting retail centers. We have one that, if you didn't know it was a pawnshop, you'd think it was a jewelry store." *Local Pawnshop Goes Public In Quest For 'Big Board' Status*, Denver Business Journal, Jan. 9, 1989, at 14, col. 3.

7. Miley O'Neal "[F]ounder and president of the Florida Pawnbrokers Association and the newly formed National Pawnbrokers Association . . . owns four pawnshops in the Fort Lauderdale area, including what he describes as the first 24-hour, drive-through shop in the world." *Now, Mainstream Pawnshops*, N.Y. Times, Mar. 6, 1987, at D1, col. 2.

8. *Profits Up At Pawnshops Run Cash America-Style*, The Business Press, Mar. 13, 1989, at 5.

9. "New York now has only 12 shops, down from 120 in 1960, according to Robert E. Gross, the secretary of the Pawnbrokers' Association of New York." *Now, Mainstream Pawnshops*, *supra* note 7.

10. Tom Trelber, who runs Sydmor's Jewelry & Luggage in Barberton Ohio, testifies from experience that "[P]awnshops, traditionally, are family types of businesses." Trelber's store was founded by his father-in-law and his father-in-law's brother; he now runs the store with his wife. *Sydmor's Aging Nicely*, *supra* note 4.

11. *Profits Up*, *supra* note 8.

business, most family members are unwilling to continue the family trade, even if it still proves profitable.<sup>12</sup> Hence, with the matriarch's or patriarch's death, the family business dies.

The unwillingness to utilize hired managers in a family business is quite rational, for at the very heart of any sound pawnbroking operation is someone who is able to accurately value the full spectrum of items brought in to pawn. If the valuation of the offered item is too small, the customer will go elsewhere—if it is too high and the customer defaults, the pawnbroker will lose. Repeat performances spell disaster to the pawnshop's profitability.

This same problem plagues the new, larger operations as well. Where ma or pa pawnbroker relied on experience and intuition, the "new breed" relies on voluminous manuals, "bluebooks"<sup>13</sup> and other price lists, extensive training programs,<sup>14</sup> and competitive and "entrepreneurial spirit."<sup>15</sup> The Mexican national pawnshop, *Nacional Monte De Piedad de Animas*, hereinafter referred to as the Bank of Pity, has a somewhat unique solution for this valuation problem. The Bank of Pity pays its highly trained and skilled pawn appraisers a salary plus a commission on loans they extend. If the pawn is not redeemed and is thus put up for sale, it must sell within three months or the appraiser who approved the loan and accepted the pawn is charged for it. If the appraiser makes a mistake and overvalues the pawn, is duped, or is so touched by a sad story that he extends too high a loan, he is charged for the difference between the amount of the loan extended and the sale price of the pawn. To protect themselves against such disastrous occurrences, the appraisers allocate part of their monthly salary to an insurance fund.<sup>16</sup> Thus, any tendency to extend large loans to increase the commission from the transaction is effectively negated.

It may well be that their negative image is at the heart of pawnbro-

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12. Noting that younger generations did not seem to care for taking over the family business, Jack Daugherty asserted, "Kids all want to go into the glamour businesses like drugstores and convenience stores." Gill, *The Pawn King*, *ESQUIRE*, July 1987, at 52.

13. See, e.g., Brayton, *Upscale Clientele Targeted by Pawn Shop*, *NASHVILLE BUS. J.*, Sept. 26, 1988, at 16.

14. "[Cash America's] training program is part of the company's success because it demands success . . ." *Profits Up*, *supra* note 8.

15. "'I've got three guys chomping at the bit to become managers,' said Butch Barton, area manager for Fort Worth [Cash America outlets]. 'I've got three managers who want my job, and I want them to want it because I've got my sights on someone else's.'" *Id.*

16. Condon, *The Bank of Pity*, *HOLIDAY*, Mar. 1963, at 58; *Pawnshop Is Mexico's Ticket to Romantic Places*, *N.Y. Times*, Apr. 5, 1985, at A2, col. 2.

kers' difficulty,<sup>17</sup> but in those areas where shops are going out of business, the more immediate cause seems purely economic. In most of these instances, the statutory schemes regulating pawnbroking do not permit pawnbroker to prosper; the allowed service charges are simply too low, or the restrictions on pawnbroker practices are too stringent.<sup>18</sup> By driving pawnbrokers away from their intended clientele, the poor, and by making survival the new name of the pawnbroking game, stifling regulations have altered the "natural" credit distribution in an arguably inequitable or, at least, in an unwise manner.

Regulation of credit has been in place for over 2,000 years. The Old Testament prohibited usury, defining such as the taking of *any* interest.<sup>19</sup> Less theological, and more indicative of times to come, were the lending "regulations" of the Middle Ages. Crown princes, ironically the worst credit risks, would borrow large sums at exorbitant interest rates and then banish their creditors rather than repay the debt.<sup>20</sup> Even though many loans to the crown were repaid at high interest rates, ancient pawnbrokers, as well as their modern day counterparts, were wise to mind the admonition, "Lend not to him who is mightier than thou."<sup>21</sup>

The United States first experienced state pawnbroker legislation in the early 1880's.<sup>22</sup> Such early legislation was enacted to ensure the good character of the pawnbroker or to enforce appropriate record keeping for police purposes.<sup>23</sup> Such insurance may have given us pawnbrokers of good character, but the continuing stereotypical view of pawnbrokers gives testimony of the inability to restore a lost reputation. The second aim of the original legislation, that of ensuring record keeping for police purposes, remains vital and necessary today.<sup>24</sup> But the compounding of the regulatory offsprings of these original, modest purposes has caused

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17. It may be argued that if the image of pawnbrokers was not so tarnished, they would not be treated so harshly by the various state legislatures.

18. See Oeltjen, *Pawnbroking on Parade*, 37 BUFFALO L. REV. 751 (1989).

19. *Exodus* 22:25 (King James); *Ezekiel* 18:8 (King James); *Leviticus* 25:36,37 (King James); *Psalms* 15:5 (King James).

20. S. HOMER, A HISTORY OF INTEREST 99 (1963) (discussing Edward III of England and his banishment of Florentine creditors to whom he was in debt).

21. *Id.* at 94. Although the author attributes this passage to *Ecclesiastes* 8:13, a search of several biblical sources as well as several different versions of the bible failed to uncover the source.

22. New Jersey, in 1876, became the first state to license and regulate pawnbroking. RABY, THE REGULATION OF PAWN BROKING 8 (Russell Sage Foundation 1924).

23. Oeltjen, *supra* note 18.

24. As testament to the necessity and generally recognized validity of such regulations, forty-two states require that pawnbrokers keep records and thirty require that incoming pawns be identified and reported to the police. See Survey of Pawnbroking Legislation, *infra* at 233.

pawnbroking to become an industry leading a Darwinian existence; in many instances, regulated to an extent to which no one could adapt.

Exemplary of these crippling regulatory combinations are those which limit service charges and which define sales procedures for unredeemed pawns. Although thirty-one states have no statutorily defined sales procedures,<sup>25</sup> of those that do, the requirements seem excessive. Indiana, for example, requires that notice of the upcoming sale of the pawn be published in the newspaper and be mailed to the pledger, and that the pawn be sold at public auction.<sup>26</sup> Additionally, the sale surplus, that portion of the pawn sale price that exceeds the loan amount plus service and sale charges, historically, a source of additional revenue for the pawnbroker,<sup>27</sup> must be paid to the pledger.<sup>28</sup> The costs of such notification and sales measures, when coupled with the relatively high transaction costs typically associated with small pawn loans, creates an environment where a restrictive interest ceiling and the unavailability of "pawn sale surplus" income combine to spell certain death for pawnbrokers.

Even where pawnshops have neither experienced rapid expansion and economic profitability nor such economic adversity that they have been driven from business, there seems to be a trend away from shops being the "banks for the poor" toward either "specialty" shops where only one type of merchandise is pawned, or upscale shops aimed at the middle class or "perceived rich."<sup>29</sup> The specialty shops might deal in jewelry, furs or even automobiles. The upscale shops sport upgraded facilities<sup>30</sup> and deal almost exclusively in high priced consumer treasures of the type that are most quickly shed by the "nouveau poor and famous."<sup>31</sup> Said one Texas pawnbroker, "Most of my customers are real estate people, oilmen, retailers, restaurant owners. . . . I'm dealing with a businessman who needs cash flow for, say, ten days, instead of a blue-collar guy

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25. See Survey of Pawnbroking Legislation, *infra* at 233.

26. Indiana, *infra* at 252.

27. "During the first nine months of 1986, it [Cash America] had \$5.90 in sales of unredeemed goods, a healthy 45 percent gain over what it had paid out in loans for the items." *Now, Mainstream Pawnshops*, *supra* note 7, at D1.

28. Indiana, *infra* at 252.

29. The rich will use a pawnshop "for a very good reason: When they need extra cash — it may be for just a week or a month or two months — but the last guy they want to have know is their banker. They don't want him frightened." Brayton, *supra* note 13.

30. "Without the traditional three gold balls out front, a customer might never know this bright, air-conditioned showroom displaying computers, telescopes, electronic items and jewelry was a pawnshop." Blum, *Pawnshops Go Upscale*, *Tulsa World*, July 6, 1987, at A5, col. 1.

31. *Wealthy Flock to Hock in Posh Pawnshop*, *Houston Bus. J. Aug. 10, 1987*, at 1.

who's lost his job."<sup>32</sup> As to the property that was pawned, "I've had a Picasso, some Remington bronzes, a stuffed Bengal tiger and a thirty-carat diamond bracelet. . . . Just a couple of weeks ago, I sold thirty-five Leroy Neimans to an art dealer from Los Angeles."<sup>33</sup>

This article, the second in a series devoted to pawnbroking law and fiction, is directed toward furtherance of the notion that pawnbroking serves a useful function; it fills a gap in the continuum of our overall credit structure. Pawnbrokers serve as a safeguard, a net that will catch those whose credit risk otherwise bars them from entry into the consumer credit market, but whose predilection for health keeps them from loansharks. This article also serves the purpose of illustrating the jumble of laws that now govern pawnbroking. In the first part of this study,<sup>34</sup> the proliferation of stringent economic regulation<sup>35</sup> of pawnbrokers is condemned; indeed, it is suggested that many existing regulations should be repealed, and others modified to authorize higher service charges or raised interest ceilings. Part of the impetus behind such arguments is that credit, like other commodities, should not be rationed.<sup>36</sup>

The rationing of credit may be traced back to early religious teachings which made the charging of any interest a moral wrong.<sup>37</sup> Subsequently, this standard was somewhat relaxed when, ironically enough, charitable pawnshops in Rome were allowed to charge a "service fee" on loans.<sup>38</sup> The moral condemnation of usury has continued to be a justification for interest ceilings. More modern justifications are usually phrased in terms of "economics," "unconscionability," and "bargaining disparity,"<sup>39</sup> terms which add credibility, but not validity, to the concept of credit rationing.

32. *See id.*

33. *See id.*

34. Oeltjen, *supra* note 18.

35. This is to be distinguished from regulations which protect the public order, such as those regulating police registers, hours during which business can be conducted, transactions with minors, and fingerprinting of pledgers. *Id.* Many of these regulations have the effect of preventing both the pawnbroker and rightful owner from being victimized by thieves.

36. Rationing occurs when the supply of a commodity is not allowed to adjust to the demand for the same. Such rationing may be necessitated by a shortage of the commodity ("natural" rationing). Rationing also occurs when barriers that inhibit the ability of supply to adjust to demand are placed in the market ("artificial" rationing). One such barrier is the imposition of an artificial price structure. Putting a ceiling or floor on the price of a commodity will result in supply and demand being distorted. It may be argued that capping interest rates is one way of rationing credit.

37. *See* note 18 *supra* and accompanying text.

38. These *montes pietas* were allowed to levy a small service charge following the 1515 Lateran Council.

39. Oeltjen, *Usury: Utilitarian or Useless?*, 3 FLA. ST. U.L. REV. 169, 206-07 (1975).

High interest rates are generally denounced as an injustice to the poor. The Honorable George Brun epitomized this emotion when he commented, "To give persons a right to charge 36 percent-plus interest (or finance charge) shocks at least my conscience and I do not believe that I am unduly sensitive."<sup>40</sup> "Use" rates in the range of 30 percent and above may indeed shock the conscience of those who can borrow at rates slightly above prime, and cause those who are shocked to demand that lenders' profits be trimmed, but capping or sealing off revenue possibilities has far reaching consequences beyond the attack on the lender. Persons who have a bad credit history or have little credit experience are high credit risks and often can obtain loans only at a correspondingly high rate of interest. Capping interest rates below that which necessarily reflects the given risk has the effective result of cutting off credit to that portion of society reflected by that greater risk. Those who would endorse such limitations must be made aware that they are making a conscious decision to limit access to credit as well.<sup>41</sup>

To many "consumer advocates," credit regulation is a way of life<sup>42</sup> not to be challenged by market-based economic arguments. Other justifications for credit deregulation must be offered. One compelling justification is found in the history and practice of traditional pawnshops. Not those stereotypical operations which may offer little basis for continuance, but rather the pawnshops that serve as the banks for the poor, "the small people's bank."<sup>43</sup> Places where persons without credit or significant means, can go for a friendly, quick, no questions asked loan.

At 11 p.m., a little girl falls out of a bunk bed and breaks her arm. Her mother has no health insurance and no credit cards, so the emergency room will not treat the child without a \$250 deposit.

A wealthy builder with cash flow problems is depending on a payment from a client to meet his \$5,000 payroll. But by Friday afternoon, the check has not arrived.

An out-of-work carpenter is offered a three-day job miles away. But he has no money for gas to get there.

All these people solved their problems by going to a pawnbroker. The mother sped to a 24-hour pawnshop and borrowed enough on her rings to have her child's arm set. The contractor took an instant loan on his Rolls-

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40. Comment by the Honorable George Brun as quoted in *A Consumer Credit Code, . . . For Lenders*, CONSUMER REP., Mar. 1969 at 121.

41. Oeltjen, *supra* note 39, at 209.

42. In this situation what many of the consumer advocates may be advocating is that there is some charge for credit that is just too high—once this point is reached or exceeded, it is better for the potential debtor to go without the loan.

43. *The Loan Shops of Quick Resort*, Washington Times, (Insight), Mar. 7, 1988, at 52, col. 1.



Royce and paid his men. The carpenter pawned his color TV for thirty-five dollars in gas money. . . .

As is the case with about 80 percent of those who acquire loans from pawnbrokers, these people all recovered their possessions as soon as they had the money.<sup>44</sup>

Many of the loans pawnbrokers make are too small for banks to accommodate—the average pawn loan is approximately fifty dollars.<sup>45</sup> Banks and other financial institutions are not organized to make these relatively small loans at a profit.<sup>46</sup> Nor in most instances can banks or other financial institutions match the secrecy,<sup>47</sup> informality, speed and convenience with which a pawnbroker can make the loan—there is no credit investigation, no danger of credit being tied up, no disapproving loan officers, and not even a requirement that the loan be paid back. So by design, there can be no collection harassment and no danger of a ruined credit rating.<sup>48</sup>

The only other source of funds that can match many of the attributes of a pawn broker in acquiring a loan is a loanshark.<sup>49</sup> But if loan-

44. *Quick Resort*, *supra* note 43. Regarding the loan on the automobile, the pawnbroker comments, "When was the last time you went to a bank and tried to get a \$5,000 loan right away?" *Id.* "[O]f the \$1,000 in interest he made by parking the contractor's Rolls on his lot for 48 hours, . . . [the pawnbroker] says, "Glad to help. I aim to please." *Id.*

45. An examination of the annual reports showed that of the very few states referenced, even fewer gave average loan size. On the basis of the figures given, the 13 Oregon pawnbrokers had an average loan size of \$51 in 1985, \$55 in 1986, and \$58 in 1987. The 28 Indiana pawnbrokers had an average loan size of \$43 in 1987, having gradually increased from \$39 in 1983. STATISTICAL REFERENCE INDEX § 6616-1 (1988). Also of interest is the percentage breakdown of all Indiana pawn loans in 1987: \$.01 to \$10 = 11.91%; \$10.01 to \$25 = 33.43%; \$25.01 to \$50 = 35.65%; \$50.01 to \$100 = 13.62%; \$100.01 to \$300 = 0.73%; \$300 or more = 0.66%. *Id.* at § 2625. A 1988 Washington Times article cites average pawnbroker loans of "about \$40." *Quick Resort*, *supra* note 43. Cash America's average loan is about \$54, *Now, Mainstream Pawnshops* *supra* note 7, while U.S. Pawn averages about \$48 per loan. *Big Board*, *supra* note 6.

46. Said Melvin Wedgle of U.S. Pawn, "We think of ourselves as a poor man's bank. Where else can you get a loan for 50 bucks? A bank wouldn't even touch that." *Big Board*, *supra* note 6. An informal investigation revealed that very few banks would loan less than \$1500, with none willing to loan less than \$500; credit unions, on the other hand, will generally lend as little as \$100. Several small loan companies will lend any amount, but remark that for the borrower, the very small loans are generally not worth the time it takes to fill out the paperwork.

47. One pawnshop owner is adding a small conference room to his shop, where "we can bring people back confidentially. They don't have to go through the showroom, they can go right through, and (deals can be completed) very privately back there." *Brayton*, *supra* note 13.

48. If a pawn loan on a watch goes bad, we sell the watch, and we're glad to see the customer next time . . . If a bank loan goes bad, they sue the guy, ruin his credit rating for life and call him a deadbeat the next time. You tell me which is more humane.

Pedersen, *supra* note 5.

49. For a thorough discussion of the loan-sharking industry, see *Oeltjen*, *supra* note 39, at 217-221, and the authorities cited therein.

sharks live up to their reputation, to remain healthy, one would want to take even extreme measures to avoid their default procedures and collection methods. "The key is to duplicate the service elements in loanshark transactions while eliminating the threat of physical violence in the collection process."<sup>50</sup> "The social costs of loan sharking are high, and traditional usury laws foster rather than inhibit its growth."<sup>51</sup>

Through a review of the extensive literature discussing pawnbroking from many different perspectives, some general observations emerge. Without a doubt, pawnbrokers have over the years suffered a tarnished image, much of which was unearned. It is equally clear that pawnshops have a vital role to play in our financial society; draconian regulation will deny them the opportunity to effectively play that role. However, regulations aimed at gathering information to assist the police in discouraging thefts, recovering stolen merchandise, and capturing thieves are essential, if for no reason other than to help dispel the erroneous notion that pawnbrokers profit by consorting with criminals.<sup>52</sup> If the move to interstate and "upscale" pawnbroking continues, the growth will be limited to those jurisdictions that have the most favorable laws.

Where so permitted, pawnshops will prosper and grow—one of the few industries that thrive during times of both feast and famine. Pawnbroking has been noted by one businessman as being one of two industries that is truly recession proof.<sup>53</sup> There can be no doubt that, as an

50. Seidl, *Let's Compete with Loan Sharks*, 48 HARV. BUS. REV., May-June 1970, at 69, 76.

51. Oeltjen, *supra* note 40, at 220.

52. "A thief . . . 'gets' only void title and without more cannot pass any title to a good faith purchaser." J. WHITE & R. SUMMERS, UNIFORM COMMERCIAL CODE 173 (3d ed. 1988). Nor is the Uniform Commercial Code provision relating to voidable title and entrustment of any value to a thief or one who purchases from a thief. "Sec. 2-403 does not operate to pass good title to stolen goods." *Id.* at p.174, n. 20.

Pawnbrokers are typically quite adept at detecting stolen goods before a loan is made. It has been noted that pawnbrokers who have been in the business for a long time acquire a "sixth sense" for spotting thieves and their stolen goods. Houston, *Pawn Shops*, DENVER BUSINESS, Oct. 1987, at 42. Pawn shop owners, upon becoming suspicious of a person or the merchandise being offered, will typically ask questions such as "Do you play this flute? What kind is it?" or "How do you open this gun?" *Id.* Another scenario is set forth below.

A kid with sneakers brings me in an \$800 camera. First thing I'll say is, "It's got to be a 31-millimeter or I don't take it." He says it is a 31-millimeter—of course, there's no such thing. Or I'll hand it back and say, "Just open it up to be sure there's no film in it." And he can't figure how to open it up.

Mano, *supra* note 1, at 59.

And then there's the approach of one pawnshop operator in Tulsa, Oklahoma, who keeps a dog behind the counter of his shop. "When someone is nervous, the dog can sense it. He'll get up and watch them." Blum, *supra* note 30.

53. The businessman who made this broad assessment is Nashville entrepreneur, Richard D.

industry, pawnbroking is a survivor—probably aptly referred to as the oldest legitimate profession.<sup>54</sup> What is not clear is what the future holds for pawnshops. The signals are mixed. There are chains of pawnshops that are exceptionally profitable, so much so that others will probably flock to compete by opening scores of new shops. But there are jurisdictions where because of various economic factors, pawnshops are going out of existence. Legislation favorable to pawnbroking is justified on the basis of services rendered by pawnshops' status as "poor mans' bank", the "bank for the little people." The place to go for thirty-five dollars to pay the utility bill until next week's paycheck. But there seems to be a trend for existing pawnshops to increase profits by shying away from the small loans and by moving "upscale" to attract a more wealthy clientele and to increase the average size of pawn loans. A recent legislative proposal aimed at raising the allowable service charges of North Carolina's pawnbrokers brought heated responses like, "The only difference between what this bill would allow and armed robbery is a .38 [revolver]."<sup>55</sup> In several jurisdictions, a marked increase in capital requirements was predicted to have the effect of driving mom and pop pawnbrokers out of business.<sup>56</sup> Attempts to open pawnshops twenty-four hours a day met industry opposition.<sup>57</sup>

The current situation could be summarized as one where the target clientele of pawnshops is shifting. Pawnbroking operations that are going either interstate or "upscale" are relegated to picking and choosing jurisdictions in which to expand based on the target locations' applicable laws and attitudes toward those laws. There is a large diversity in appli-

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Ferrando. Ferrando, in discussing his research of businesses that made it through the Great Depression, asserted in pertinent part,

I found two categories. One is the category most known to people as pawn shops. The other is roadside fruit stands. There wasn't a single pawn shop that went out of business during the Great Depression. . . . It's the only business that, unless you burn money in the back room, there's no way to lose.

Brayton, *supra* note 13.

54. P. SCHWED, *GOD BLESS PAWNBROKERS*, 21, 210 (1975).

55. Funk, *Thornburg is N. C. Pawnbrokers' Key Ally*, *Charlotte Observer*, June 14, 1989, at A16, col. 1. The bill that was being discussed would authorize "monthly charges of 2% interest. In addition, [borrowers] would pay 20% of the borrowed amount in fees, with those fees capped at \$100." *Id.*

56. Oklahoma now requires that a pawnbroker show \$25,000 in net assets or cash before opening up a shop; there was no requirement previously. *Hard Times Have Pawnshops Booming*, *Tulsa World*, Dec. 5, 1988, at A1, col. 3. Texas recently raised its net worth requirement from \$75,000 to \$125,000. *Id.*

57. *Pawnshop Group Wants Ban on all Night Stores*, *Ft. Worth Star Telegram*, Feb. 11, 1989, at 1, col. 2.

cable laws, and such diversity seems to create an environment for enormous differences in relative pawnbroker economic well-being. This would seem to be an ideal climate in which uniform legislation could win acceptability. Hopefully more so than the first proposal for uniform legislation in this area. The first attempt, the Uniform Pawnbrokers Act, was approved by the National Federation of Remedial Loan Associations in 1922, but received little support in state legislatures.<sup>58</sup> The latest attempt at uniform legislation for consumers, the Uniform Consumer Credit Code, explicitly exempts pawnbrokers from its provisions.<sup>59</sup>

In drafting uniform pawnbroking legislation, a full range of regulatory schemes is available from which to pick and choose. As the following survey of pawnbroking laws will show, while many of the information gathering and "traffic" regulations are similar from jurisdiction to jurisdiction, those regulations influencing pawnbroker economic health are quite diverse and seemingly random. For example, allowable service charges range from 240 percent per year in Oklahoma to 6 percent per year in Pennsylvania.<sup>60</sup> While bond requirements are quite high in Oregon, \$25,000, and New York, \$10,000<sup>61</sup>, twenty-eight states have *no* bond requirements, and nineteen require bonds of less than \$5,000.<sup>62</sup> In none of these examples would local conditions seem to merit such diversity.

## II. SURVEY OF PAWNBROKER REGULATION IN THE UNITED STATES AND PUERTO RICO

When researching consumer credit laws, one quickly notes that regulatory schemes governing pawnbrokers and analysis of such schemes are expressly excluded from the research services.<sup>63</sup> The following survey will hopefully be a useful starting point for others interested in pawnbroker research and analysis. The information for each jurisdiction is divided into twelve categories and is presented in a standardized for-

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58. Mottershead, *Pawn Shops*, 196 THE ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE 149, 152 (1938). The Act was followed to some extent in Indiana, Pennsylvania, and New York. *Id.* The full text of the act may be found in RABY, *supra* note 22, at 32 (appendix I).

59. See Oeltjen, *supra* note 17 and authorities cited therein.

60. Oklahoma, *infra* at 273; Pennsylvania, *infra* at 275.

61. Oregon, *infra* at 274; New York, *infra* at 269.

62. See Survey of Pawnbroker Regulation.

63. For example, discussion and analysis of pawnbroking regulations is conspicuously absent from the Consumer Credit Guide. Passing mention is given to the Uniform Consumer Credit Code's inapplicability to pawnbrokers. 1 CONSUMER CRED. GUIDE (CCH) ¶ 4775.

mat.<sup>64</sup> An identical chart outlining the applicable provisions of the Uniform Pawnbrokers Act is also included.

The following categories were used; a short description of each is included:

1. Interest Rate Limit — The maximum allowable interest rate, if any, and any other allowable charges.

2. License — Whether or not a license is required and if so, any requirements that must be met before a license is issued.

3. Bonds — Whether or not a pawnbroker is required to file a bond, and if so, any stated purpose for the bond requirement and the amount of the bond.

4. Records or Books — Whether any records or books are required to be kept by the pawnbroker and what they should contain.

5. Pledger Restriction — Restrictions on who may pawn, such as age or mental capacity.

6. Holding Limit — The amount of time that a pawned article must be kept in the pawnbroker's possession before it may be sold.

7. Sale Procedure — The procedure that must be followed before a pawned article may be sold.

8. Pledger's Rights Prior To and After Sale — The pawner's rights prior to and after the sale of the pawned article.

9. Penalties — The penalties imposed for violations of the provisions generally relating to pawnbrokers.

10. Pawn Ticket or Receipt — Whether a borrower need be given a pawn ticket and, if so, what information that ticket must contain.

11. Inspection — Whether the books or premises need be open to inspection and by whom.

12. Reporting — Whether the pawnbroker is required to furnish a report of articles pawned and to whom it shall be furnished.

To the extent possible, detailed information common to a number of jurisdictions has been assigned a letter. That letter is then used in the jurisdiction description rather than repeatedly spelling out the information. For example, the letter "s" represents "Pledger is entitled to sale surplus;" thus in the information for those states that have such a provision, the letter "s" will appear in the appropriate category.

The following indicate different items that must be placed in the book or record, memorandum or ticket; procedures that must be fol-

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64. Both Iowa and West Virginia are excluded from this survey because their legislatures have enacted no provisions regulating pawnbroking.

lowed when the pawnbroker sells a pledged article, and various acts by the pawnbroker which result in a penalty being imposed.

- a. Date or time of transaction.
- b. Name, age and/or address of customer.
- c. Account and description of pledged or purchased property.
- d. Inform borrower of right to redeem pledge during the redemption period.
- e. Amount loaned or price paid.
- f. Signature of customer.
- g. Signature of pawnbroker.
- h. Rate of interest, amount of interest, and any additional charges that must be paid before property can be redeemed.
- i. Duration of loan.
- j. Date on which loan is due and payable.
- k. Description of pledger or seller.
- l. Name and/or address of person conducting the transaction.
- m. Driver's license or other identification number.
- n. Name and/or address of pawnbroker.
- o. Sale of pledged property must be by public auction.
- p. Notice of sale must be published in newspaper.
- q. Pledger must be given written notice of sale by mail.
- r. If sold, pledger may request name of purchaser and amount received for property.
- s. Pledger entitled to sale surplus.
- t. Failure to comply with act.
- u. Failure to comply with recordkeeping or receipt requirements.
- v. Failure to comply with inspection requirements.
- w. Failure to comply with interest limits.
- x. Failure to report.
- y. Failure to comply with licensing or bonding requirements.
- z. Failure to comply with sales procedure requirements.

The following represent licensing requirements that must be met and stated purposes for the bond requirement.

- A. Insurance to cover pawned goods.
- B. "Notification type" application, (e.g., name of individual, business address, personal residence address, names of members of association).
- C. Appoint representative for service of process.
- D. Minimum capital requirements.

- E. Must prove that applicant meets general requirements of character, fitness and responsibility.
  - F. Must establish that the business will promote the convenience and advantage of the community.
  - G. Citizenship or residency requirement.
  - H. Minimum age requirement.
  - I. No license if previously convicted of a felony.
  - J. No license issued if applicant's spouse would be ineligible to receive a license.
  - K. No license if previously convicted of engaging in pawnbroking without the requisite license.
  - L. Bond is for the benefit of any person injured by the pawnbrokers' actions in failing to observe pawnbroker regulations.
  - M. Bond conditioned on pawnbroker duly observing and abiding by either state or local laws regulating pawnbrokers.
- \*\* These states have adopted the Uniform Consumer Credit Code.

## UNIFORM PAWNBROKING BILL†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 3% per month on unpaid balance § 59.  |
| License <sup>2</sup>                                 | Required: licensing official left to local discretion § 3. Fee: \$100/annum § 5.  |
| Bonds <sup>3</sup>                                   | Required: \$1000 § 7.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, f, h, i, j, l. §§ 50, 51.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 16 years of age. § 103.  |
| Holding <sup>6</sup> Limit                           | 12 months § 61.   |
| Sales <sup>7</sup> Procedure                         | o, q (20 days before sale), p, (in 3 consecutive issues). §§ 61, 62.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s - pawnbroker must retain surplus for 5 years and notify pledger of its existence by mail. § 63. Pledger may redeem by mail. § 54. |
| Penalties <sup>9</sup>                               | t - misdemeanor § 104.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, i, n § 52.   |
| Inspection <sup>11</sup>                             | Yes - usual business hours by licensing official. § 11.   |
| Reporting <sup>12</sup>                              | Annual report to licensing official § 13.   |

† All citations refer to sections of the draft of the proposed Uniform Pawnbroking Bill, which may be found in RABY, THE REGULATION OF PAWNBROKING 32 (Russell Sage Foundation 1924).



## ALABAMA†

|   |  |
|---|--|
| Interest <sup>1</sup> Rate Limit                      |  |
| License <sup>2</sup>                                  |  |
| Bonds <sup>3</sup>                                    |  |
| Records <sup>4</sup> or Books                         | Required: c, e, j. § 8-1-80(a).  |
| Pledger <sup>5</sup> Restriction                      |  |
| Holding <sup>6</sup> Limit                            | 60 days. § 8-1-82.   |
| Sales <sup>7</sup> Procedure                          | p - 10 days, o. § 8-1-81. Any sale made contrary to provision is void and borrower may recover pledge. § 8-1-82.             |
| Pledger's <sup>8</sup> Rights Prior To and After Sale |  |
| Penalties <sup>9</sup>                                | t - greater than \$10 but less than \$100. § 8-1-84. u - debt forfeited, property may be recovered by borrower. § 8-1-80(b). |
| Pawn Ticket <sup>10</sup> or Receipt                  | Required: c, e, j. § 8-1-80(a).  |
| Inspection <sup>11</sup>                              | Yes—by public during business hours. § 8-1-80(c).  |
| Reporting <sup>12</sup>                               |  |

† (ALA. CODE §§ 8-1-80 to 8-1-84 (1986)).

## ALASKA†

|   |  |
|---|--|
| Interest <sup>1</sup> Rate<br>Limit                           |  |
| License <sup>2</sup>  |  |
| Bonds <sup>3</sup>  |  |
| Records <sup>4</sup> or<br>Books                              | Required: a, b, c, e, f, l. § 08.76.010.   |
| Pledger <sup>5</sup><br>Restriction                           |  |
| Holding <sup>6</sup><br>Limit                                 | 60 days in absence of written agreement. § 08.76.040(d).   |
| Sales <sup>7</sup><br>Procedure                               |  |
| Pledger's <sup>8</sup><br>Right Prior<br>To and After<br>Sale | q - if not redeemed within 30 days after date of mailing notice, pledger shall be paid 1/2 amount in excess of \$400 received for property. Shall receive notice of money due by certified mail within 10 days of sale. If pledger does not respond within 90 days after notice mailed, pawnbroker entitled to entire amount. § 08.76.040. |
| Penalties <sup>9</sup>  | u, v - fine of not more than \$500 or imprisonment for not more than 6 months, or both. § 08.76.030.   |
| Pawn Ticket <sup>10</sup><br>or Receipt                       |  |
| Inspection <sup>11</sup>                                      | Yes—by peace officer at reasonable times. § 08.76.020.   |
| Reporting <sup>12</sup>                                       |  |

† (ALASKA STAT. §§ 08.76.010 to 08.76.040 (1987)).

## ARIZONA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 3% per month on any loan with an original principal amount not exceeding \$1000. §§ 44-1623A, 6-622A. On any loan greater than \$1000, 3% per month on that part of the unpaid balance not exceeding \$500, and 2% per month on that part of the unpaid balance exceeding \$500 and not exceeding \$10,000. §§ 44-1623A, 6-622B. |
| License <sup>2</sup>                                 | Required. § 44-1627. \$200 semiannual fee. § 44-1629.  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, i. § 44-1622.  |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age. § 44-1624C.  |
| Holding <sup>6</sup> Limit                           | 4 months. § 44-1624B.  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | u, v, x - class 1 misdemeanor. §§ 44-1622G, 44-1626G, 44-1625D. W - class 6 felony. § 44-1623B.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required. § 44-1622.   |
| Inspection <sup>11</sup>                             | Yes - by peace officer appointed by local law enforcement agency or on service of a search warrant. § 44-1626F.  |
| Reporting <sup>12</sup>                              | Required—furnished to sheriff. § 44-1625.  |

† (ARIZ. REV. STAT. ANN. §§ 44-1621 to 44-1629 (Supp. 1988)).

## ARKANSAS†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | General usury law judicially applied to pawn-loan transactions. <i>See Sleeper v. Sweetster</i> , 274 Ark. 477, 446 S.W.2d 228 (1969). <i>See also Sparks v. Robinson</i> , 66 Ark. 460, 51 So. 460 (1899). Thus far, Arkansas has been the only state to subject such transactions to the general state usury law(s). |
| License <sup>2</sup>                                 |  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: b, c, e, k, m. § 12-12-103(a),(b).   |
| Pledger <sup>5</sup> Restriction                     |  |
| Holding <sup>6</sup> Limit                           |  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - misdemeanor, fine of not more than \$1,000. § 12-12-103(d)(1).   |
| Pawn Ticket <sup>10</sup> or Receipt                 |  |
| Inspection <sup>11</sup>                             | Yes—by police or sheriff at any and all times. § 12-12-103(c)(1).  |
| Reporting <sup>12</sup>                              | May be required—to police or sheriff. § 12-12-103(c)(2).   |

† (ARK. STAT. ANN. § 12-12 (1987)).

## CALIFORNIA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | Rate, per month, varies depending on balance of unpaid principal: 2 1/2%—up to \$225; 2%—\$225 to \$900; 1 1/2%—\$900 to \$1650; 1%—in excess of \$1650. Minimum charge allowable of \$1 per month. § 21200. Limitations only apply if loan is for less than \$2500. § 21051(a). One month's interest may be charged for any part of a month in which pawned property is redeemed. § 21200(5)(b). In addition, provides for varying maximum charges for loans not exceeding \$140 for not more than 90 days. § 21200.5. |
| License <sup>2</sup>                                 |   |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, i. § 21202.  |
| Pledger <sup>5</sup> Restriction                     | Yes—under the age of 16 years. § 21207.   |
| Holding <sup>6</sup> Limit                           | 4 months for fur and clothing; 6 months for all else. § 21201.  |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | q - which extends right of redemption for 10 days. § 21201. r. § 21204.   |
| Penalties <sup>9</sup>                               | Misdemeanor. § 21209.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: d, j. § 21201.  |
| Inspection <sup>11</sup>                             | Yes—by any person holding a warrant, sheriff or police, or any officer holding a court order § 21206.   |
| Reporting <sup>12</sup>                              | Required—to sheriff or police. § 21208.   |

† (CAL. FIN. CODE §§ 21200 to 21209 (West Supp. 1989)).

## COLORADO†\*\*

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 1/10 of original purchase price for each month, plus original purchase price on amount of \$50 or more, or 1/5 of original purchase price for each month, plus original purchase price on amounts under \$50. § 12-56-101(2).  |
| License <sup>2</sup>                                 | Local licensing authorities may license. § 12-56-102.  |
| Bonds <sup>3</sup>                                   | Local licensing authorities may require that pawnbroker be bonded. § 12-56-102.  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, f, m. Shall also obtain written declaration of ownership, how long owned, or whether property was found. § 12-56-103.   |
| Pledger <sup>5</sup> Restriction                     | Yes—under 18 years of age. § 12-56-104(1).   |
| Holding <sup>6</sup> Limit                           | 10 days following maturity date of contract for contracted goods; 30 days from date of purchase goods. § 12-56-103.  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | Customer, for a fixed price and fixed period of time, not to exceed 90 days, has option to cancel contract for purchase. § 12-56-101(1).   |
| Penalties <sup>9</sup>                               | Violation of contract for purchase involving a fixed price is a class 2 misdemeanor. § 12-56-104(3)(b) (1985). Violation of other provisions is a class 1 misdemeanor and upon second or subsequent conviction for violation, within 3 years of prior conviction, is a class 5 felony. § 12-56-104(4). |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required. § 12-56-103(2).  |
| Inspection <sup>11</sup>                             | Yes—by any local law enforcement agency at any reasonable time. § 12-56-103(3).  |
| Reporting <sup>12</sup>                              | Required—to local law enforcement agency. § 12-56-103(7).  |

† (COLO. REV. STAT. §§ 12-56-101 to 12-56-104 (1986)).

## CONNECTICUT†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 5% per month—\$15 or less; 3% per month—\$15 to \$50; 2% per month—more than \$50. § 21-44.   |
| License <sup>2</sup>                                 | License required. § 21-39. Issued by selectmen of any town and chief of police of any city. \$50 initial fee, \$25 annual renewal fee. § 21-40.   |
| Bonds <sup>3</sup>                                   | Required—\$2,000. M. § 21-40.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, k. § 21-41.  |
| Pledger <sup>5</sup> Restriction                     | Yes—any minor. § 21-47.   |
| Holding <sup>6</sup> Limit                           | 6 months. § 21-45.  |
| Sales <sup>7</sup> Procedure                         | p - at least once 2 days before sale. Then may have public or private sale. § 21-45.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | x - fine of not more than \$100. § 21-43. t, u, v—first offense—fine not more than \$50; second offense—fine not more than \$100, third offense—fine not more than \$500 or imprisoned 6 months, or both and forfeit treble amount loaned on property. § 21-47. Misapplication of property—class A misdemeanor. § 53A-129(a). |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, k. § 21-42.  |
| Inspection <sup>11</sup>                             | Yes—at all times by police or selectmen of town. § 21-41.   |
| Reporting <sup>12</sup>                              | Required—to chief of police or town clerk. § 21-43.   |

† (CONN. GEN. STAT. ANN. §§ 21-39 to 21-47 (West 1985), § 53A-129 (West 1986)).

## DELAWARE†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 3% per month. § 2308.   |
| License <sup>2</sup>                                 | Required in New Castle County. § 2302. Granted by Clerk of Peace of New Castle County annually. § 2303. \$75 fee. § 2304. A. § 2306.  |
| Bonds <sup>3</sup>                                   | Required—\$1,000. L, M. § 2305.   |
| Records <sup>4</sup> or Books                        | Required: a, c, e, h, k. § 2313(a).   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under the influence of any intoxicating drugs or liquors. § 2310.  |
| Holding <sup>6</sup> Limit                           | Wearing apparel—2 months. All else—4 months. § 2309(1).   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | Purchasing from intoxicated person—fine not more than \$50 or imprisoned not more than 3 months, or both. § 2310. t - fine not less than \$50 nor more than \$1,000 and if in default of fine, shall be imprisoned not less than 1 month nor more than 1 year for each offense. § 2318. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: c, e, f, h. § 2307.   |
| Inspection <sup>11</sup>                             | Yes—by law enforcement officers. § 2315.  |
| Reporting <sup>12</sup>                              | Required—to police. § 2313(c).  |

† (DEL. CODE ANN. tit. 24, §§ 2301 to 2318 (1987)).



## DISTRICT OF COLUMBIA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 2% per month—not exceeding \$200; 1% per month—\$200 to \$1,000; 8% per year—in excess of \$1,000. \$1.50 minimum charge. § 2-1909(a).  |
| License <sup>2</sup>                                 | Required—from Mayor. § 2-1902(a). B, C - Mayor, D—\$20,000 cash. \$50 fee for investigating application, § 2-1903, E, F—\$800 fee if license issued before April 30th of any year; \$250 if issued thereafter. § 2-1905. Renewal fee—\$550. § 2-1906.             |
| Bonds <sup>3</sup>                                   | Required—\$5,000. L, M. § 2-1904(a).  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, k. § 2-1911.   |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           | 6 months. § 2-1913.   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | q - 30 days before selling. § 2-1914. s. § 2-1915.  |
| Penalties <sup>9</sup>                               | w - \$100 for each offense. § 2-1909 (a). t - fine of not more than \$300 or imprisonment of not more than 90 days. Contract of loan is void and the lender has no right to collect principal, interest or charges. Goods returned to pledger. §§ 2-1910, 2-1916. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h. § 2-1912.  |
| Inspection <sup>11</sup>                             | Yes—by mayor or police at all reasonable times. § 2-1911(b).  |
| Reporting <sup>12</sup>                              | Yes—annually to mayor, § 2-1907(b); daily report to police. § 2-1911(d).  |

† (D.C. CODE ANN. §§ 2-1901 to 2-1919 (1988)).

## FLORIDA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     |  |
| License <sup>2</sup>                                 |  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, f, m. § 715.041(1).  |
| Pledger <sup>5</sup> Restriction                     |  |
| Holding <sup>6</sup> Limit                           | Until there has been no payment on account made for a period of 90 days or seller has not repurchased the property within 60 days after sale. § 715.04(2). |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - first degree misdemeanor. § 715.042.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Pawn ticket shall have holding limit provisions, notice of sale, notice of intention to sell without further notice and consent to such sale. § 715.04.    |
| Inspection <sup>11</sup>                             | Yes—to any law enforcement agency or officer upon request. § 715.041(1).   |
| Reporting <sup>12</sup>                              |  |

† (FLA. STAT. §§ 715.04 to 715.042 (1988 &amp; West Supp. 1989)).

## GEORGIA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 2% per month; minimum charge of \$5.00. § 44-12-131.  |
| License <sup>2</sup>                                 | Municipal authorities may license pawnbrokers. § 44-12-136.   |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, f, j, k, l, m. § 44-12-132.   |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           |   |
| Sales <sup>7</sup> Procedure                         | Pawnbroker has lien on pawned goods for money advanced but not for other debts due him. § 44-14-403. Lien must be foreclosed by making demand. Upon receipt of demand, lien-holder to initiate foreclosure proceedings within 10 days where possession retained or 30 days where possession surrendered. §§ 44-14-408, 44-14-550. |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | u, v - misdemeanor. § 44-12-137.  |
| Pawn Ticket <sup>10</sup> or Receipt                 |   |
| Inspection <sup>11</sup>                             | Yes—by any duly authorized law enforcement officer at any reasonable time. § 44-12-133.   |
| Reporting <sup>12</sup>                              |   |

† (GA. CODE ANN. §§ 44-12-130 to 44-12-137, 44-14-404 (1986 & Supp. 1989)).

## HAWAII†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 4% per month—loans under \$20; 2% per month—\$20 to \$100; 1% per month—above \$100. In addition, sets minimum charges allowed for loans not exceeding \$149.99 for not more than 90 days. § 445-133(1).            |
| License <sup>2</sup>                                 | Treasurer may grant. § 445-132.   |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, i. § 445-133(6).   |
| Pledger <sup>5</sup> Restriction                     | Yes—from any minor. § 445-133(8).   |
| Holding <sup>6</sup> Limit                           | 6 months after last day fixed by contract for redemption. § 445-133(2).   |
| Sales <sup>7</sup> Procedure                         | p - at minimum twice at least 10 and not more than 30 days before such sale. § 445-133(2). o. § 445-134.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | r. § 445-133(3).  |
| Penalties <sup>9</sup>                               | z - fine of not more than \$1,000 or imprisonment of not more than 1 year, or both. § 445-134. y - fine not more than \$300. § 445-135. t, u, v - fine of not more than \$300 and shall forfeit license. § 445-136. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: c, e, f, g, h, i, j. § 445-133(4).  |
| Inspection <sup>11</sup>                             | Yes—by police or Director of Finance at any time. § 445-133(9).   |
| Reporting <sup>12</sup>                              | Required—to chief of police. § 445-133(7).  |

† (HAWAII REV. STAT. §§ 445-131 to 445-136 (1985)).

## IDAHO†\*\*

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     |  |
| License <sup>2</sup>                                 | Required. Fee—\$50 per quarter. § 63-2313.   |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        |  |
| Pledger <sup>5</sup> Restriction                     |  |
| Holding <sup>6</sup> Limit                           |  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - misdemeanor, fine not exceeding \$300 or imprisonment in county jail for not longer than 6 months, or both. § 63-2314. |
| Pawn Ticket <sup>10</sup> or Receipt                 |  |
| Inspection <sup>11</sup>                             |  |
| Reporting <sup>12</sup>                              |  |

† (IDAHO CODE § 63-2313 to 63-2314 (1986)).

## ILLINOIS†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 3% per month. Ch. 17, § 4652.  |
| License <sup>2</sup>                                 | In counties with a population of less than 3 million, township board may require that pawnbroker register his name with town clerk. Ch. 139, § 39.33a. |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h. Ch. 17, § 4655(a).  |
| Pledger <sup>5</sup> Restriction                     | Yes—any minor (under 18 years of age), any person appearing intoxicated, or any person known to have been convicted of a theft. Ch. 17, §§ 4658, 4659. |
| Holding <sup>6</sup> Limit                           | One year from time pledger shall make default of payment of interest on money advanced. Ch. 17, § 4660.  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - 1st offense—class C misdemeanor. Subsequent offense—Class A misdemeanor. Ch. 17, § 4661.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, f, h. Ch. 17, § 4654.  |
| Inspection <sup>11</sup>                             | Yes—by sheriff or police at all times. Ch. 17, § 4656.   |
| Reporting <sup>12</sup>                              | Required—to sheriff. Ch. 17, § 4657.   |

† (ILL. ANN. STAT. ch. 17, §§ 4651 to 4661; ch. 139, § 39.33a (Smith-Hurd 1986 & Supp. 1989)).

## INDIANA†\*\*

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | Finance charge may not exceed the greater of (a) the total of 36% per year on unpaid balance of \$300 or less, 21% per year of unpaid balance greater than \$300 and less than \$1,000, and 15% per year of unpaid balance in excess of \$1,000; or (b) 21% per year of unpaid balance. Minimum charge of \$5.00 for loans not exceeding \$75 and \$7.50 for loans exceeding \$75. May charge additional \$1 for loans under \$50 and \$1.50 for loans of \$50-\$1,000 for storage. §§ 28-7-5-28, 24-4, 5-3-508. |
| License <sup>2</sup>                                 | Required. § 28-7-5-3. B. § 28-7-5-4. \$100 annual fee; \$50 fee if application made between Nov. 1 and April 30. § 28-7-5-5. E, F. § 28-7-5-8.   |
| Bonds <sup>3</sup>                                   | Required—\$1,000. L, M. § 28-7-5-7.  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, g. Also, date loan paid or cancelled, whether paid in full or renewed, whether sold at auction, and if paid in full, total amount of interest and principal paid. Separate book to record all sales of all unredeemed pledges. §§ 28-7-5-16, 19, 20.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age or any person who is known to be a thief or receiver of stolen property. § 28-7-5-36.   |
| Holding <sup>6</sup> Limit                           | If gives pledger notice, 90 days after date of maturity or last installment payment accepted; if payment accepted after date of maturity, not later than 365 days after maturity of loan. If no notice, 180 days as above. § 28-7-5-30.  |
| Sales <sup>7</sup> Procedure                         | o. § 28-7-5-30. p, q. § 28-7-5-31.   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | Pledger may redeem by mail. § 28-7-5-23. s - notice of surplus shall be mailed. If surplus not claimed within one year, shall revert to pawnbroker. § 28-7-5-32.   |
| Penalties <sup>9</sup>                               | w - shall forfeit principal and interest and return pledge. § 28-7-5-28(d). t - class B misdemeanor. § 28-7-5-37.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, place where pledge made, and charge and principal due at maturity. Copy of certain provisions of chapter to be provided. § 28-7-5-21.   |
| Inspection <sup>11</sup>                             | Yes—by Department of Finance. § 28-7-5-15.   |
| Reporting <sup>12</sup>                              | Required. § 28-7-5-17.   |

† (IND. CODE ANN. §§ 28-7-5-1 to 28-7-5-37 (Burns 1986)).

## KANSAS†\*\*

|   |  |
|---|--|
| Interest <sup>1</sup> Rate<br>Limit                           | 10% per month or 120% per annum of the amount advanced to borrow. § 16-719.  |
| License <sup>2</sup>  | Required—from clerk of city or county. B. \$25 annual fee. § 16-707 G, H, I, J. § 16-708.  |
| Bonds <sup>3</sup>  |  |
| Records <sup>4</sup> or<br>Books                              | Required: a, b, c, e, h, i, m. § 16-716(a).  |
| Pledger <sup>5</sup><br>Restriction                           | Yes—any person under 18 years of age. § 16-717(a).   |
| Holding <sup>6</sup><br>Limit                                 | 2 months after due date of loan. § 16-714.   |
| Sales <sup>7</sup><br>Procedure                               |  |
| Pledger's <sup>8</sup><br>Right Prior<br>To and After<br>Sale |  |
| Penalties <sup>9</sup>  | t - class B misdemeanor. § 16-721.   |
| Pawn Ticket <sup>10</sup><br>or Receipt                       | Required: d, h, i—which shall be one month, j, charges and right to redeem pledge during redemption period of 2 months after due date. § 16-714. |
| Inspection <sup>11</sup>                                      | Yes—by any law enforcement officer during regular business hours, § 16-718, and by city or county. § 16-712.                                     |
| Reporting <sup>12</sup>                                       | Required—to chief of police or sheriff. § 16-715.  |

† (KAN. STAT. ANN. §§ 16-706 to 16-722 (1988)).



## KENTUCKY†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 2% per month. May charge fee not to exceed one-fifth of value of loan per month, for investigating title, storage, insuring property, making reports, and to cover incidental costs. § 226.080. |
| License <sup>2</sup>                                 |   |
| Bonds <sup>3</sup>                                   | Required—\$1,000. M. § 226.020.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, j. § 226.040.  |
| Pledger <sup>5</sup> Restriction                     | Yes—a minor. § 226.030.   |
| Holding <sup>6</sup> Limit                           | 90 days after maturity of loan. § 226.050(2).   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | q - 10 days before sale. § 226.050(2).  |
| Penalties <sup>9</sup>                               | u, v - fine not less than \$50 nor more than \$500. t - fine not less than \$20 nor more than \$100. § 226.990.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, j. § 226.050(1).   |
| Inspection <sup>11</sup>                             | Yes—by any officer of the state. § 226.040.   |
| Reporting <sup>12</sup>                              | Required—in cities with population over 10,000 or in unincorporated area of county, daily report to chief of police or chief law enforcement officer. § 226.070(1).                             |

† (KY. REV. STAT. §§ 226.010 to 226.990 (1986 & Supp. 1988)).

## LOUISIANA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 10% per month maximum. In addition, maximum of 10% on all other services. § 37:1771.   |
| License <sup>2</sup>                                 | Required. B. § 37:1752.  |
| Bonds <sup>3</sup>                                   | Required—\$500. § 37:1754.   |
| Records <sup>4</sup> or Books                        | Required: a, c, e, k. § 37:1755.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age. § 37:1764.   |
| Holding <sup>6</sup> Limit                           | Jewelry—12 months; other property—3 months. § 37:1758.   |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - 1st offense—fine not less than \$25 nor more than \$100, or imprisonment not less than 10 days nor more than 30 days, or both. Second and subsequent offenses—fined \$500 or imprisonment not less than 30 days nor more than 60 days, or both. If convicted 3 times—license revoked and cannot thereafter engage in business. § 37:1761. y - fine not less than \$250 nor more than \$500, or imprisonment not less than 30 days nor more than 60 days, or both. § 37:1762. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, j, k, m, n, and statement that pledger not obligated to redeem and pledge may be forfeited 1 year after maturity date for jewelry and 3 months for other property. § 37:1769.   |
| Inspection <sup>11</sup>                             | Yes—by law enforcement officers at all times. § 37:1756.   |
| Reporting <sup>12</sup>                              | Required—to police and sheriff. § 37:1757.   |

† (LA. REV. STAT. ANN. §§ 37:1751 to 1770 (West 1988 &amp; Supp. 1989)).

## MAINE†\*\*

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | Not to exceed 25% a year on a loan not exceeding \$25, nor more than 6% on a larger loan. § 3963.          |
| License <sup>2</sup>                                 | Municipal officers may grant license. § 3961.  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, i. § 3962.  |
| Pledger <sup>5</sup> Restriction                     |  |
| Holding <sup>6</sup> Limit                           | 3 months after expiration of time for which item was pawned. § 3964.                                       |
| Sales <sup>7</sup> Procedure                         | o, p. § 3964.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s. § 3965.   |
| Penalties <sup>9</sup>                               | u, v, x, z - \$20 fine for each offense. §§ 3962, 3964. w, y - \$100 fine for each offense. §§ 3961, 3963. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, g, h, i. § 3962.   |
| Inspection <sup>11</sup>                             | Yes—by any municipal officer at all reasonable times. § 3962.  |
| Reporting <sup>12</sup>                              | Required. § 3962.  |

† (ME. REV. STAT. ANN. tit. 30-A, §§ 3961 to 3965 (1988) (eff. March 1, 1989)).

## MARYLAND†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     |   |
| License <sup>2</sup>                                 | Required. B. \$200 application fee. § 418. I - may refuse license. State police investigate background of applicant. § 419.     |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, k, m. § 422(a), (b).   |
| Pledger <sup>5</sup> Restriction                     | Yes—any individual under 18 years of age. § 424.  |
| Holding <sup>6</sup> Limit                           | Precious metals—18 days after the dealer has complied with record filing requirement. § 423(a).                                 |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | t - misdemeanor and on conviction subject to fine not exceeding \$5,000 or imprisonment not exceeding one year, or both. § 426. |
| Pawn Ticket <sup>10</sup> or Receipt                 |   |
| Inspection <sup>11</sup>                             | Yes—by any law enforcement officer. § 422(i).   |
| Reporting <sup>12</sup>                              | Required. § 422(f).   |

† (MD. ANN. CODE art. 56, §§ 416 to 427 (1986 &amp; Supp. 1988)).

## MASSACHUSETTS†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | Authorities which issue license may fix rate of interest. ch. 140, § 72.  |
| License <sup>2</sup>                                 | Local government issues license. ch. 140, § 70. Fee no greater than \$100. ch. 140, § 77.   |
| Bonds <sup>3</sup>                                   | Required - \$300. M. ch. 140, § 77.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h. ch. 140, § 79.   |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           | 4 months if not perishable; 1 month if perishable. ch. 140, § 71.   |
| Sales <sup>7</sup> Procedure                         | o, q - nonperishable goods. ch. 140, § 71.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s. ch. 140, § 71.   |
| Penalties <sup>9</sup>                               | w - fine not more than \$50. ch 140, § 72. v - fine not more than \$200 or imprisonment for not more than one year, or both. u, y - fine not less than \$50 nor more than \$300, or imprisonment not more than 2 months, or both. ch. 140, § 82. u, x - if stolen, owner may reclaim property. ch. 140, § 82A. y - fine of not more than \$50. ch. 140, § 75. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h. ch. 140, § 80.   |
| Inspection <sup>11</sup>                             | Yes—by chief of police, state police officer or selectmen of a town at any time. ch. 140, § 73.   |
| Reporting <sup>12</sup>                              | Required:—to licensing authorities. ch. 140, § 79.  |

† (MASS. GEN. LAWS ANN. ch. 140, §§ 70-85 (West 1986)).

## MICHIGAN†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 3% per month, with a minimum of 50 cents on a single loan. May charge 50 cents per month storage fee after 30 days, but for not more than 4 months. § 446.209.                           |
| License <sup>2</sup>                                 | Required in cities or incorporated villages with population over 3,000 from mayor or president of village. § 446.201. \$250 fee unless provided otherwise by city or village. § 446.202. |
| Bonds <sup>3</sup>                                   | Required—\$3,000. L, M. § 446.202.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, k. § 446.205.   |
| Pledger <sup>5</sup> Restriction                     | Yes—a minor, a person of unsound mind, or someone who neglects all lawful business, after receiving written notice. § 446.214.   |
| Holding <sup>6</sup> Limit                           | 6 months. § 446.210.   |
| Sales <sup>7</sup> Procedure                         | o, p. § 446.210.   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s. § 446.212.  |
| Penalties <sup>9</sup>                               | t - misdemeanor, fine of not less than \$25 nor more than \$100 or imprisonment not less than 10 days nor more than 3 months, or both. § 446.218. License revocation. § 446.219.         |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, g, h, k. § 446.208.  |
| Inspection <sup>11</sup>                             | Yes—by mayor, president, city attorney or other police officer, prosecuting attorney, or sheriff. § 446.205.   |
| Reporting <sup>12</sup>                              | Required—to chief of police. § 446.206.  |

† (MICH. COMP. LAWS ANN. §§ 446.201-446.219 (West 1989)).

## MINNESOTA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | That allowed by law. § 609.81(1). 8%. See § 334.01.   |
| License <sup>2</sup>                                 |   |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        |   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under lawful age without written consent of parent or guardian. § 609.81(5). |
| Holding <sup>6</sup> Limit                           | Agreed upon redemption period. § 609.81(3).   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | r. § 609.81(4).   |
| Penalties <sup>9</sup>                               | Misdemeanor. § 609.81.  |
| Pawn Ticket <sup>10</sup> or Receipt                 |   |
| Inspection <sup>11</sup>                             |   |
| Reporting <sup>12</sup>                              |   |

† (MINN. STAT. ANN. § 609.81 (West 1986)).

## MISSISSIPPI†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 10% per year. § 75-67-21. When lending money to be paid back on monthly or weekly installments, interest may be charged at rate of 7% per year. § 75-67-39. May charge fee ranging from \$.50 to \$2.00 for investigating title and closing the loan. § 75-67-19. |
| License <sup>2</sup>                                 | Required. B. § 75-67-3. License issued by designated officer of incorporated city or town or tax collector of county in unincorporated areas. \$1.50 fee. § 75-67-25.   |
| Bonds <sup>3</sup>                                   | Required—\$500. L, M. § 75-67-5.  |
| Records <sup>4</sup> or Books                        | Required: b, c, e, h, i. § 75-67-11.  |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           |   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | t, u, v, w - revocation of license. § 75-67-17. w, y - misdemeanor, fine not less than \$500 nor more than \$1,000 and imprisonment not less than 10 days nor more than 60 days. § 75-67-35. y - forfeit all interest. § 75-67-27.                                |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: b, c, e, g, h, i. § 75-67-11.   |
| Inspection <sup>11</sup>                             | Yes—by mayor or sheriff or grand jury, during usual business hours. § 75-67-15.   |
| Reporting <sup>12</sup>                              |   |

† (MISS. CODE ANN. §§ 75-67-1 to 75-67-41 (1985 &amp; Supp. 1988)).



## MISSOURI†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | \$.25 per month carrying charge plus 2% per month on amount of such loan in excess of \$12.50. § 367.021.  |
| License <sup>2</sup>                                 |  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        |  |
| Pledger <sup>5</sup> Restriction                     | Yes—any minor without written parental or guardian consent, other than agricultural products. § 568.070.   |
| Holding <sup>6</sup> Limit                           | 60 days following loan default. § 367.040.   |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | If during 60 day period following default, pledger does not pay off loan, title passes to lender one day following expiration of 60 day period and right of redemption is forever barred. § 367.040. |
| Penalties <sup>9</sup>                               | t - misdemeanor, fine of not less than \$50 nor more than \$100. § 367.050.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, c, h, j. § 367.031.   |
| Inspection <sup>11</sup>                             |  |
| Reporting <sup>12</sup>                              |  |

† (MO. ANN. STAT. §§ 367.010 367.060; § 568.070 (Vernon 1986)).

## MONTANA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 3% per month. § 31-1-401.  |
| License <sup>2</sup>                                 | Required—city or town council may license pawnbroker. Fee of \$55 per quarter. §§ 7-21-4201, 7-21-2208.  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, j. § 31-1-402.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any minor without parental or custodial consent. § 7-21-4208.  |
| Holding <sup>6</sup> Limit                           |  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - misdemeanor. § 31-1-407. Unlawful transaction with minor results in fine not in excess of \$500 or imprisonment not to exceed 6 months, or both. Second offense—fine not in excess of \$1,000 or imprisonment not in excess of 6 months, or both. § 45-5-623(2). |
| Pawn Ticket <sup>10</sup> or Receipt                 |  |
| Inspection <sup>11</sup>                             | Yes—by any peace officer or other persons. §§ 31-1-402(3), 7-21-4207.  |
| Reporting <sup>12</sup>                              |  |

† (MONT. CODE ANN. §§ 31-1-401 to 31-1-407, § 7-21-4201, § 45-5-623(2), § 7-21-2208 (1987)).

## NEBRASKA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     |   |
| License <sup>2</sup>                                 | Required. Fee—\$100 per year in metropolitan cities; \$50 per year elsewhere. B, I. § 69-202.   |
| Bonds <sup>3</sup>                                   | Required—\$5,000. M. § 69-202.  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, f, g, h, j, l, m. § 69-204. Right index fingerprint of each person pawning an item (or left, if need be). § 69-210.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age or any person who appears to be under the influence of alcohol, narcotic drugs, stimulants or depressants or who appears to be mentally incompetent. § 69-210. |
| Holding <sup>6</sup> Limit                           | 4 months. § 69-209.   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | t - class V misdemeanor. Permit may be revoked or suspended. § 69-208.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Yes - at no charge the pawner receives a written or printed ticket containing a copy of the entries in § 69-204 (see "Records or Books," above). § 69-204   |
| Inspection <sup>11</sup>                             | Yes—by any law enforcement officer at any reasonable time during normal business hours. § 69-204.   |
| Reporting <sup>12</sup>                              | Required—to police or sheriff. § 69-205.  |

† (NEB. REV. STAT. §§ 69-201 to 69-210 (1986)).

## NEVADA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 5% per month plus an initial charge of \$3. § 646.050.                             |
| License <sup>2</sup>                                 |  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, k, m. § 646.020.   |
| Pledger <sup>5</sup> Restriction                     | 150 days. § 646.050.   |
| Holding <sup>6</sup> Limit                           |  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | u, v, w, x - misdemeanor. § 646.060.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: c, e, h. § 646.020.  |
| Inspection <sup>11</sup>                             | Yes—by district attorney or any peace officer during hours of business. § 646.020. |
| Reporting <sup>12</sup>                              | Required—to sheriff or police. § 646.030.  |

† (NEV. REV. STAT. §§ 646.010 to 646.060 (1986 &amp; Supp. 1988)).

## NEW HAMPSHIRE†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | Licensing board may fix rate of interest. § 398:11.  |
| License <sup>2</sup>                                 | In all cities having population over 40,000, board of police commissioners or mayor and aldermen or selectmen may license pawnbrokers. §§ 398:4, 398:5.  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h. § 398:12.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any minor or person in visible state of intoxication from liquor or otherwise. § 398:2.  |
| Holding <sup>6</sup> Limit                           | 4 months; 1 month if perishable. § 398:8.  |
| Sales <sup>7</sup> Procedure                         | o, § 398:9; may be waived by written agreement if less than \$25 loan. § 398:10. Notice of sale shall be given by posting in 2 or more public places 14 days before sale. If value exceeds \$100, notice must be published. § 444:3. |
| Pledger's <sup>8</sup> Right Prior To and After Sale | q - 14 days before sale. § 444:4. s. § 444:5.  |
| Penalties <sup>9</sup>                               | t - misdemeanor. § 398:3.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: c, e, l, § 398:1, h, § 398:11.   |
| Inspection <sup>11</sup>                             | Yes—by chief of police or selectmen at any time. § 398:13.   |
| Reporting <sup>12</sup>                              |  |

† (N.H. REV. STAT. ANN. §§ 398:1 to 398:14 (1986)).

## NEW JERSEY†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 3% per month; minimum charge of 50 cents. § 45:22-22.  |
| License <sup>2</sup>                                 | Required. § 45:22-2. B. § 45:22-3. Fee shall not exceed \$800. § 45:22-4. A. § 45:22-5. Commissioner of banking and insurance may require proof of applicant's financial ability to carry on pawnbroking. § 45:21-4. |
| Bonds <sup>3</sup>                                   | Required—\$1,000. L. § 45:22-7.  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e. Also date on which each loan cancelled and whether redeemed, renewed or sold at auction. In separate books all sales of unredeemed pledges shall be recorded. § 45:22-13.                      |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 16 years of age. § 45:22-31.  |
| Holding <sup>6</sup> Limit                           | 12 months from date of loan. § 45:22-25  |
| Sales <sup>7</sup> Procedure                         | May redeem by mail. § 45:27-17. o, 3 consecutive issues, q. §§ 45:22-25, 45:22-26.   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s. § 45:22-27. Surplus belongs to pawnbroker after 5 years. § 45:22-28.  |
| Penalties <sup>9</sup>                               | t - revocation of license. § 45:22-8; misdemeanor punishable by fine of not less than \$100 nor more than \$500, § 45:22-32. x - fine of \$100 for each offense. § 45:22-34.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, i. § 45:22-15.  |
| Inspection <sup>11</sup>                             | Yes—by commissioner of banking and insurance at any time. § 45:22-10.  |
| Reporting <sup>12</sup>                              | Required—to commissioner of banking and insurance annually, § 45:22-12; to chief of police daily § 45:22-34.   |

† (N.J. REV. STAT. §§ 45:22-1 to 45:22-34 (1986 &amp; Supp. 1989)).

## NEW MEXICO†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | For first 30 day period may charge \$7.50 or 10% of loan whichever is greater. For remaining, shall not charge a rate in excess of 4% per month. § 56-12-13.                   |
| License <sup>2</sup>                                 | Required—obtained from local government. B, I. §§ 56-12-4, 56-12-7. Each applicant required to furnish proof of execution and delivery of bond to local government. § 56-12-7. |
| Bonds <sup>3</sup>                                   | Required—\$5,000. L. § 56-12-6.  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, k, m. § 56-12-9A. Shall keep permanent record of pledged property disposed of following default. § 56-12-12.  |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age or any person known to be under the influence of alcohol, any narcotic drug, stimulant, or depressant. § 56-12-14.                        |
| Holding <sup>6</sup> Limit                           | 90 days after indebtedness has become due. § 56-12-11B.  |
| Sales <sup>7</sup> Procedure                         | q. § 55-9-504(3).  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s - if claimed within 90 days of date of mailing notice if surplus \$100, or less, or within 12 months, if greater than \$100. § 56-12-11C.                                    |
| Penalties <sup>9</sup>                               | t - petty misdemeanor, permit revoked or suspended, § 56-12-15; forfeiture of entire service charge, § 56-12-16.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, k, m. § 56-12-10A. Shall further contain all disclosures of credit terms required to be disclosed to pledger by federal Truth in Lending Act. § 56-12-10C.  |
| Inspection <sup>11</sup>                             | Yes—by local or government authority at all reasonable times. § 56-12-9E.  |
| Reporting <sup>12</sup>                              | Required—to law enforcement agency. § 56-12-9B.  |

† (N.M. STAT. ANN. §§ 56-12-1 to 56-12-16; § 55-9-504 (1986)).

## NEW YORK†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 3% per month; minimum interest charge of 25 cents per month. § 46. May collect service charge for issuing receipt to customer. § 44.   |
| License <sup>2</sup>                                 | Required—obtained from mayor of city or licensing authority of local governing body. § 40. E. Fee—\$500 for city with population in excess of 1 million; all others—\$250. § 41. B. § 53.  |
| Bonds <sup>3</sup>                                   | Required—\$10,000. § 41.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h. § 43.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age. § 47-a.  |
| Holding <sup>6</sup> Limit                           | 6 months. § 48.  |
| Sales <sup>7</sup> Procedure                         | o. § 48. p - at least 6 days prior to sale in at least 2 newspapers. Shall file with local governing body within 30 days after sale the name and address of pawnbroker, date and place of sale, name and address of auctioneer, and the amount received for pledge. § 49.                                      |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s. § 44. If pawnbroker purchases, pledger has extra 10 days to redeem. q - at least 30 days prior thereto. § 49. Shall be given written notice of surplus by mail within 30 days after sale. If pledger fails to claim surplus within 1 year from date of sale, surplus to be paid to state comptroller. § 50. |
| Penalties <sup>9</sup>                               | y - fine of \$100 per day. § 41. t - fine of not less than \$25 nor more than \$100. May suspend or revoke license. § 51. Willful violation is a misdemeanor with fine of not more than \$500 or imprisonment for not more than 1 year. § 54.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, d, e, g, h. Shall also contain notice of election. § 44.  |
| Inspection <sup>11</sup>                             | Yes—to law enforcement personnel at all reasonable times. § 45.  |
| Reporting <sup>12</sup>                              | State comptroller authorized to require keeping of additional books or reports as he may deem necessary. § 55.   |

† (N.Y. GEN BUS. LAW §§ 41 to 55 (McKinney Supp. 1988)).



## NORTH CAROLINA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | Usury laws of state applicable. § 91-7. Legal rate of interest—8% per annum. § 24.1. |
| License <sup>2</sup>                                 | Required from incorporated towns and cities. § 91-2. E. § 91-3.                      |
| Bonds <sup>3</sup>                                   | Required—\$1000. L, M. § 91-3.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, m. § 91-4.   |
| Pledger <sup>5</sup> Restriction                     | 60 days after maturity of debt. § 91-6.  |
| Holding <sup>6</sup> Limit                           |  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - misdemeanor; fined or imprisoned, or both, in discretion of court. § 91-8.       |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, g, m. § 91-5.  |
| Inspection <sup>11</sup>                             | Yes—by any law enforcement officer during regular business hours. § 91-4.            |
| Reporting <sup>12</sup>                              | Required—to sheriff's office and chief of police. § 91-4.                            |

† (N.C. GEN. STAT. §§ 91-1 to 91-8 (1987)).

## NORTH DAKOTA

|   |  |
|---|--|
| Interest <sup>1</sup> Rate<br>Limit                           |  |
| License <sup>2</sup>  | Governing body of the municipality has power to license, regulate, remove, suppress and prohibit pawnbrokers. N.D. CENT. CODE § 40-05-01(26) (1985). |
| Bonds <sup>3</sup>  |  |
| Records <sup>4</sup> or<br>Books                              |  |
| Pledger <sup>5</sup><br>Restriction                           |  |
| Holding <sup>6</sup><br>Limit                                 |  |
| Sales <sup>7</sup><br>Procedure                               |  |
| Pledger's <sup>8</sup><br>Right Prior<br>To and After<br>Sale |  |
| Penalties <sup>9</sup>  |  |
| Pawn Ticket <sup>10</sup><br>or Receipt                       |  |
| Inspection <sup>11</sup>                                      |  |
| Reporting <sup>12</sup>                                       |  |

## OHIO†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 5% per month. Also may charge storage fee not to exceed \$2 per month. § 4727.06.  |
| License <sup>2</sup>                                 | Required. § 4727.02. E, G - unless agent appointed for service of process. § 4727.03. B, J. § 4727.04.   |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, j, k, m. § 4727.08.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any minor or person who is intoxicated or under influence of a controlled substance, or a person believed to be a thief, or receiver of stolen property. § 4727.10.  |
| Holding <sup>6</sup> Limit                           | If person receiving loan fails to redeem or pay interest on any articles pledged within 2 months from the date of the loan or the date on which last payment is due, he or she has 30 days from the date notice is mailed to redeem pledge or property before licenser assumes ownership. § 4727.11. |
| Sales <sup>7</sup> Procedure                         | q - 30 days before sale. § 4727.11.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - revocation of license, § 4727.15; misdemeanor of 3rd degree; for 2nd offense—misdemeanor of 2nd degree. § 4727.99.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, c, e, h, j, n. On back of receipt shall be printed a copy of § 4727.06. Shall also give receipt for each payment. § 4727.07.  |
| Inspection <sup>11</sup>                             | Yes—by superintendent of division of consumer finance, § 4727.05, superintendent of police or mayor. § 4727.08.  |
| Reporting <sup>12</sup>                              | Required—to police. § 4727.09.   |

† (OHIO REV. CODE ANN. §§ 4727.02 to 4727.99 (Page 1987 &amp; Supp. 1988)).

## OKLAHOMA†\*\*

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 20% of amount financed which does not exceed \$150 for one month; 15% if greater than \$150 but not greater than \$250; 10% if greater than \$250; 5% if greater than \$500 but not greater than \$1000; 3% if greater than \$1000 but not greater than \$2500. \$1 minimum charge without regard to amount financed. § 1510A. |
| License <sup>2</sup>                                 | Required. § 1503. B. § 1504. \$100 annual fee; \$125 investigation fee. § 1505. C. § 1504C. D, E, I, K. § 1503A..  |
| Bonds <sup>3</sup>                                   | Required—\$5000. L, M. § 1504B.  |
| Records <sup>4</sup> or Books                        | Shall keep such books and records relating to pawn transactions as are necessary to enable Administrator to determine if pawnbroker is complying with act. § 1508C.  |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age or any person unable to supply verification of identity. § 1511C.   |
| Holding <sup>6</sup> Limit                           | 30 days after specified maturity date. § 1509D.  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | Pledged goods may be redeemed within 30 days following maturity date of pawn transaction by payment of redemption price and payment of finance charge equal to 1/30 original monthly pawn finance charge for each day following maturity date. § 1509D.  |
| Penalties <sup>9</sup>                               | t - revocation, suspension or surrender of license. § 1507.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, d, e, h, j, k, m, n. §§ 1509D; 1510D.   |
| Inspection <sup>11</sup>                             | Yes—by administrator at such time as he may deem necessary, and by any authorized peace officer. § 1508A.  |
| Reporting <sup>12</sup>                              | Required—to Administrator. § 1508E.  |

† (OKLA. STAT. ANN. tit. 59 §§ 1501 to 1515 (West 1989)).

## OREGON†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 3% per month less than \$2500; 1 3/4% per month—\$2500 to \$5000; 1 1/2% per month—if greater than \$5000. May charge set up fee (10% with maximum of \$5) § 726.390.   |
| License <sup>2</sup>                                 | Required. § 726.040. G. § 726.050. B. § 726.060. E, I, must be solvent. § 726.075. Annual fee determined according to license fee schedule. § 725.125.  |
| Bonds <sup>3</sup>                                   | Required—\$25,000. L, M. § 726.070.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, f, k, m, and a notation as to whether article was redeemed, renewed or pledge forfeited. §§ 726.280, 726.285(1), 726.290.   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age. § 726.270.  |
| Holding <sup>6</sup> Limit                           | 30 days after loan period ended. § 726.400.   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | May redeem by mail. § 726.320. For loan greater than \$100, pledger shall have 30 days to redeem or to extend loan for one additional 3 month period. § 726.400.  |
| Penalties <sup>9</sup>                               | w - pledge loan void. § 726.420. t - civil penalties of not more than \$2500. In addition, Director of Dept. of Insurance and Finance may revoke license. § 726.910. Upon conviction—fine not less than \$100 nor more than \$500 or by imprisonment not less than 1 month nor more than 6 months, or by both; no license granted. § 726.990. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, c, d, e, h, i, n, and an accurate summary of notice requirements. §§ 726.300, 726.400.   |
| Inspection <sup>11</sup>                             | Yes—by Director of Dept. of Insurance and Finance at any time, § 726.250; or any person authorized by law. § 726.280.   |
| Reporting <sup>12</sup>                              | Yes—to Director of Dept. of Insurance and Finance, § 726.130; and to local police agency. § 726.285(2).   |

† (OR. REV. STAT. §§ 726.010 to 726.990 (1987)).

## PENNSYLVANIA†

|   |   |
|---|---|
| Interest <sup>1</sup> Rate Limit                      | 6% per year. May charge fee for storage, insurance, investigation and other services. § 218-12.   |
| License <sup>2</sup>                                  | Required. § 281-3. B. § 281-4. \$100 annual fee. § 281-6. E, F, K. § 281-8. Municipality may also require license. § 281-30.  |
| Bonds <sup>3</sup>                                    | Required—\$2000. L, M. § 281-5.   |
| Records <sup>4</sup> or Books                         | Required: § 281-11. b, m, k. § 281-13.  |
| Pledger <sup>5</sup> Restriction                      | Yes—any person under 18 years of age. § 281-29.   |
| Holding <sup>6</sup> Limit                            | 90 days after due date of loan. § 281-23.   |
| Sales <sup>7</sup> Procedure                          | May sell at private sale for amount not less than that agreed to by pledger and shall not be less than 125% of amount of loan. A pledge which cannot be sold at private sale at minimum price agreed to by pledger must be sold at public auction. Unredeemed pledge shall be sold within 12 months of due date of loan. § 281-23.  |
| Pledger <sup>8</sup> 's Right Prior To and After Sale | Shall not sell any pledge where loan greater than \$7 unless—q—30 days prior to date of sale. § 281-24. s. § 281-25. Notice of surplus shall be forwarded within 10 days of sale by mail. § 281-26. Surplus must be claimed within 1 year. § 281-27.  |
| Penalties <sup>9</sup>                                | x - \$10 fine. § 281-10. w - forfeiture of interest and principal, shall return pledge and \$50 penalty to pledger. § 281-12 (E). y - fine not less than \$500 nor more than \$5,000, imprisonment not less than 6 months nor more than 3 years, or both; t - misdemeanor and upon conviction fine not greater than \$1000 for first offense and for each subsequent offense a like fine and/or imprisonment not to exceed one year, § 281-31; may revoke license, § 281-8. |
| Pawn Ticket <sup>10</sup> or Receipt                  | Shall furnish a receipt showing number of pawn ticket, date of payment, amount paid on principal, amount paid for interest and fees. § 281-12(E). Pawn ticket required: a, b, c, e, h, j, n, and statement setting forth that pledge may be sold after 90 days of the due date if loan not redeemed. § 281-14.  |
| Inspection <sup>11</sup>                              | Yes—by Secretary of Banking at any time. § 281-9.   |
| Reporting <sup>12</sup>                               | Required—to Secretary of Banking. § 281-10.   |

† (63 PA. CONS. STAT. ANN. §§ 281-1 to 281-32 (Purdon 1986 &amp; Supp. 1989)).

## PUERTO RICO†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 33 1/3% per annum for loans \$0.01-\$300 25% per annum for loans \$300-\$600 20% per annum for loans exceeding \$600 tit. 10, § 511.  |
| License <sup>2</sup>                                 | Required: \$50/year issued by the Secretary of the Treasury tit. 10, § 511, tit. 33, § 1281.  |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, d, e, h, i, j, l tit. 10, § 516, tit. 33, § 1282.  |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           | Six months except for articles made primarily of cloth (30 days) tit. 10, § 517.  |
| Sales <sup>7</sup> Procedure                         | Notice must be posted at least 7 days before the sale on the main entrance of the broker's place of business, the main entrance of the Alcaldia, and on one prominent corner of the city or town. o - to the highest bidder for cash. tit. 10, § 517. |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s - surplus must be held for 6 months and given to the pledger or his agent on demand. r . tit. 33, § 1285, tit. 10, § 517.   |
| Penalties <sup>9</sup>                               | w - P.R. LAWS ANN. tit. 33, § 1283 - misdemeanor.<br>u - P.R. LAWS ANN. tit. 33, § 1282 - misdemeanor.<br>v - P.R. LAWS ANN. tit. 33, § 1286 - misdemeanor.<br>z - P.R. LAWS ANN. tit. 33, § 1284 - misdemeanor.                                      |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, i tit. 33, § 1282.   |
| Inspection <sup>11</sup>                             | Yes: any officer holding a warrant or order of an appropriate official at all times. tit. 33, § 1286, tit.10, § 516.  |
| Reporting <sup>12</sup>                              |   |

† (PUERTO RICO CODE ANN. §§ 10-511 to 10-517, 33-1281 to 33-1286 (1983 &amp; Supp. 1988)).

## RHODE ISLAND†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 5% per month where less than \$50, not exceeding 3 months. If exceeds 3 months, 2 $\frac{1}{4}$ % per month. 2 $\frac{1}{2}$ % per month where greater than \$50 for any period of time. Minimum 50 cents per month charge allowed. § 19-26-18.   |
| License <sup>2</sup>                                 | Town council may grant—E, G. § 19-26-2.   |
| Bonds <sup>3</sup>                                   | Required—\$2000. L, M. § 19-26-3.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, f, h, i, k. § 19-26-5.  |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age, or in visible state of intoxication, as well as incompetents, wastrels, or thieves. § 19-26-12.   |
| Holding <sup>6</sup> Limit                           | 3 months after maturity of loan. § 19-26-10.  |
| Sales <sup>7</sup> Procedure                         | o - in-state, except any article less than \$25 may be sold at private sale. p - at least 6 days prior to sale. § 19-26-10.   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s - entitled to notice by mail of surplus, must claim within one year of sending notice. § 19-26-11.  |
| Penalties <sup>9</sup>                               | u - \$100 for first offense. Upon second offense license revoked. t - shall be fined \$100. § 19-26-5. z - fine of \$500 and revocation of license. § 19-26-11. Violation of pledger restriction—fine of \$500 and revocation of license. § 19-26-12. w - fine of \$500 and revocation of license. § 19-26-18. y - \$200 fine for first offense, \$500 fine for subsequent offenses. § 19-26-4. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, f, g, h, i, k. § 19-26-5.   |
| Inspection <sup>11</sup>                             | Yes—by mayor and police. § 19-26-5.   |
| Reporting <sup>12</sup>                              | Required. § 19-26-5.  |

† (R.I. GEN. LAWS §§ 19-26-1 to 19-26-19 (1986)).



## SOUTH CAROLINA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | \$2.50 per 30 day period for each \$10 loaned for first \$50 loaned; \$2.50 per 30 day period for each \$10 loaned on that portion of loan exceeding \$50 but not exceeding \$100; \$1.50 per 30 day period for each \$10 loaned on that portion of loan exceeding \$100 but not exceeding \$200; \$1.00 per 30 day period for each \$10 loaned on that portion of loan exceeding \$200 but not exceeding \$1,000; 50¢ per 30 day period for each \$10 loaned on that portion of loan exceeding \$1000 but not exceeding \$2,000. Loans in excess of \$2,000 prohibited. § 40-39-100. |
| License <sup>2</sup>                                 | Required by Dept. of Consumer Affairs. I. § 40-39-20. \$250 annual fee. § 40-39-120.  |
| Bonds <sup>3</sup>                                   | Required—\$1000. L, M. §§ 40-39-50, 40-39-60.   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h. § 40-39-70.  |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           | 60 days from due date of loan. § 49-39-110.   |
| Sales <sup>7</sup> Procedure                         | If any loan remains unpaid for a period of 60 days from due date of loan, title of pledged property shall vest in pawnbroker without advertising, sale or accountability to pledger. § 40-39-110.   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | q - at least 10 days prior to forfeiture date. § 40-39-110.   |
| Penalties <sup>9</sup>                               | t - Administrator of Dept. of Consumer Affairs may impose fines up to \$750 for each offense up to a maximum of \$15,000 for the same set of transactions or occurrences. y - misdemeanor, punishable by fine not exceeding \$1000 or by imprisonment for a term not exceeding 60 days or both. Administrator may also revoke license. § 40-39-150.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, f, g, h. § 40-39-80. Ticket must contain, on back, notice that title vests in pawnbroker 60 days after due date of loan. § 40-39-110.   |
| Inspection <sup>11</sup>                             | Yes—by court officials, law enforcement personnel, and by Administrator of Dept. of Consumer Affairs at all reasonable times. § 40-39-90.   |
| Reporting <sup>12</sup>                              |   |

† (S.C. CODE ANN. §§ 40-39-1 to 40-39-130 (Law Co-op 1986 & Supp. 1988)).

## SOUTH DAKOTA†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 15% per year. §§ 54-3-4.  |
| License <sup>2</sup>                                 | License required from a municipal corporation empowered to grant licenses. § 37-16-3. |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        |   |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           |   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | r. § 37-16-4.   |
| Penalties <sup>9</sup>                               | Refusal to exhibit stolen goods, w, y, z,—class 1 misdemeanor. §§ 37-16-1, 3, 4, 5.   |
| Pawn Ticket <sup>10</sup> or Receipt                 |   |
| Inspection <sup>11</sup>                             |   |
| Reporting <sup>12</sup>                              |   |

† (S.D. CODIFIED LAWS ANN. §§ 37-16-1 to 37-16-5 (1986 &amp; Supp. 1989)).

## TENNESSEE†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 24% per year. May charge fee for storage, investigating title, insurance, closing loan and reporting. § 45-6-210.   |
| License <sup>2</sup>                                 | Required. § 45-6-205. B, D, E, G, I. §§ 45-6-206, 207.  |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b (also sex and race), c, e, f, j, m. §§ 45-6-209, 213.  |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under legal age, intoxicated or known to be a thief. § 45-6-212.   |
| Holding <sup>6</sup> Limit                           | 50 days after maturity of loan. § 45-6-211.   |
| Sales <sup>7</sup> Procedure                         | p - when notice mailed to pledger. § 45-6-211.  |
| Pledger's <sup>8</sup> Right Prior To and After Sale | 50 days after maturity, pawnbroker at any time may mail notice to pledger that property must be redeemed within 10 days of notice or will be forfeited to pawnbroker. § 45-6-211. |
| Penalties <sup>9</sup>                               | t - misdemeanor and fine not more than \$500 for each offense and imprisonment for a period not exceeding 6 months. Upon any such conviction, license may be revoked. § 42-6-218. |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b (also sex and race), c, e, f, g, j, § 45-6-209, and exact value of pledged articles, § 45-6-209.   |
| Inspection <sup>11</sup>                             | Yes—by police or sheriff at all times. § 45-6-209.  |
| Reporting <sup>12</sup>                              | Required—to appropriate law enforcement agency. § 45-6-209.   |

† (TENN. CODE ANN. §§ 45-6-201 to 45-6-220 (Supp. 1988)).

## TEXAS†

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|--|--|
| Interest <sup>1</sup> Rate Limit                     | Service charge shall not exceed an amount equal to 20% of any amount less than \$30 financed for 1 month; 15% when greater than \$30 but less than \$100 financed for one month; 2½% when greater than \$100 but less than \$300 financed for one month; 1% when greater than \$300 financed for one month. art. 5069-51.12. Pawnbroker shall not enter into a transaction which has a maturity date more than 1 month after the date of the transaction. art. 5069-51.16. |
| License <sup>2</sup>                                 | Required. D—\$75,000, E, I. art. 5069-51.03, 51-03A. B. \$500 application fee, \$100 annual fee. art. 5069-51.04.  |
| Bonds <sup>3</sup>                                   | Required—\$5,000. L, M. art. 5069-51.04(c).  |
| Records <sup>4</sup> or Books                        | Required. art. 5069-51.09(a).  |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age. art. 5069-51.16(a).  |
| Holding <sup>6</sup> Limit                           | 60 days following date of maturity of loan. art. 5069-51.13.   |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - misdemeanor and upon conviction shall be punishable by a fine not in excess of \$1000. art. 5069-51.17(d). May revoke license. art. 5069-51.07. y - fine not more than \$10,000, confinement in jail for not more than 1 year, or both. art. 5069-51.17. w - forfeit right to collect on transaction and return pledge. art. 5069-51.17.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, h, j, k, m, and statement that pledger not obligated to redeem pledged goods and that pledged goods may be forfeited to pawnbroker 60 days after specified maturity date. art. 5069-51.10.   |
| Inspection <sup>11</sup>                             | Yes—by Commissioner as deemed necessary and by any peace officer at any reasonable time. art. 5069-51.08.  |
| Reporting <sup>12</sup>                              |  |

† (TEX. REV. CIV. STAT. ANN. art. 5069-51.01 to 51.19 (Vernon 1986 &amp; Supp. 1989)).

## UTAH†\*\*

|  |   |
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| Interest <sup>1</sup> Rate Limit                     | Rates and charges not governed by U.C.C.C. U.C.C.C. § 70C-1-202. No county, city, town or other political subdivision may set the interest rate or other charges which pawnbroker may charge. § 11-6-4. |
| License <sup>2</sup>                                 | Cities may license pawnbrokers. § 10-8-39.  |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, k. § 11-6-1.  |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           |   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale |   |
| Penalties <sup>9</sup>                               | t - misdemeanor. § 11-6-3.  |
| Pawn Ticket <sup>10</sup> or Receipt                 |   |
| Inspection <sup>11</sup>                             | Yes—by any peace officer at all reasonable times. § 11-6-1.   |
| Reporting <sup>12</sup>                              | Required—to the sheriff, in cities of the first and second class. § 11-6-1.   |

† (UTAH CODE ANN. §§ 11-6-1 to 11-6-4 (1986)).

## VERMONT†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | 5% per month where loan less than \$50; 3% per month where loan greater than \$50. No charge of less than 15 cents shall be made on any loan. § 3867. |
| License <sup>2</sup>                                 | Required—issued by selectmen of a town or the aldermen of a city. E. § 3862. \$15 annual fee. §§ 3863, 3864.  |
| Bonds <sup>3</sup>                                   | Required—\$500. L, M. §§ 3863, 3864.  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h. § 3865. Shall keep record of date of sale, name and address of purchaser and price paid. § 3868.                             |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age, without written authority of parents or guardian. § 3870.   |
| Holding <sup>6</sup> Limit                           | 6 months. § 3868.   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s - after 3 months. § 3869.   |
| Penalties <sup>9</sup>                               | y - fined \$10 per day. § 3862. t - fine of not more than \$100 nor less than \$10 for each offense. § 3871.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, g, h. § 3866.   |
| Inspection <sup>11</sup>                             | Yes—by town or city authorities, all courts and chief of police, at all reasonable times. § 3865.   |
| Reporting <sup>12</sup>                              |   |

† (VT. STAT. ANN. tit. 9, §§ 3861 to 3871 (1986)).

## VIRGINIA†

|  |  |
|--|--|
| Interest <sup>1</sup> Rate Limit                     | 10% per month on loan less than \$25; 7% per month on loan greater than \$25 but less than \$100. 5% per month, on loan greater than \$100. § 54-845. May charge \$2 for pawn ticket. § 54.1-4008. |
| License <sup>2</sup>                                 | Circuit court may authorize any county, city or town to issue a license. § 54.1-4001.  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, h, i, k. § 54.1-4009.  |
| Pledger <sup>5</sup> Restriction                     |  |
| Holding <sup>6</sup> Limit                           | 4 months. § 54.1-4005.   |
| Sales <sup>7</sup> Procedure                         | o. § 54.1-4005. p - at least 5 days prior to sale § 54.1-4006.   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | s. § 54.1-4007.  |
| Penalties <sup>9</sup>                               | y - class 4 misdemeanor. Subsequent offense - court may revoke or suspend license. By licensed pawnbroker - class 4 misdemeanor. § 54.1-4014.  |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: a, b, c, e, g, h, i, k. § 54.1-4004.   |
| Inspection <sup>11</sup>                             | Yes—by judges of criminal courts, chief of police, sheriff or other police officer, at all reasonable times. § 54.1-4011.  |
| Reporting <sup>12</sup>                              | Required—to sheriff, chief of police or other law enforcement officer. § 54.1-4010.  |

† (VA. CODE ANN. §§ 54.1-4000 to 54.1-4014 (1988)).

## WASHINGTON†

|  |   |
|--|---|
| Interest <sup>1</sup> Rate Limit                     | \$1 per month - up to \$19.99; \$1.50 per month for \$20-30.99; \$2 per month for \$40-75.99; \$2.50 per month for \$76-100.99; \$3 per month for \$101-125.99; 3% per month for greater than \$126. May charge fees for preparation of reports. § 19.60.060. |
| License <sup>2</sup>                                 | Political subdivisions may enact ordinances or codes requiring licensing of pawnbrokers. § 19.60.075.   |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, f, k, l, m (and type), nature of transaction, number identifying transaction, n and location of property. § 19.60.020(1).   |
| Pledger <sup>5</sup> Restriction                     | Yes—any person under 18 years of age, under the influence of drugs or alcohol, or known to be a thief. § 19.60.066.   |
| Holding <sup>6</sup> Limit                           | 90 days after term of loan expires. § 19.60.061(1).   |
| Sales <sup>7</sup> Procedure                         |   |
| Pledger's <sup>8</sup> Right Prior To and After Sale | after a 90 day period, pawnbroker has all rights, title and interest of pledger. § 19.60.061(1).  |
| Penalties <sup>9</sup>                               | t - gross misdemeanor. § 19.60.066.   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Required: i, j, and inform pledger of right to redeem within 90 days after expiration of loan term. § 19.60.061(2).   |
| Inspection <sup>11</sup>                             | Yes—by any commissioned law enforcement officer at reasonable times. §§ 19.60.020(2), 19.60.055(1).   |
| Reporting <sup>12</sup>                              | Required—to police upon request. § 19.60.040(1).  |

† (WASH. REV. CODE ANN. §§ 19.60.010 to 19.60.901 (Supp. 1986)).



## WISCONSIN†

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|--|---|
| Interest <sup>1</sup> Rate Limit                     | 3% per month. § 138.10(4). No maximum interest rate on loans made after October 31, 1984 and before November 1, 1987. § 138.10(4)(m).   |
| License <sup>2</sup>                                 |   |
| Bonds <sup>3</sup>                                   |   |
| Records <sup>4</sup> or Books                        |   |
| Pledger <sup>5</sup> Restriction                     |   |
| Holding <sup>6</sup> Limit                           | 90 days after due date of loan. § 138.10(8)(b).   |
| Sales <sup>7</sup> Procedure                         | May sell a pledge at a private sale for amount not less than that agreed to by pledger and shall not be less than 125% of amount of loan. A pledge which cannot be sold at a private sale at minimum price agreed to by pledger must be sold at public auction. § 138.10(8)(a). Unredeemed pledge shall be sold within 12 months of due date of loan. § 138.10(8)(c). |
| Pledger's <sup>8</sup> Right Prior To and After Sale | q - not less than 30 days prior to date of sale. § 138.10(9). s. § 138.10(10). Notice of surplus from sale shall be mailed to pledger within 10 days from date of sale. § 138.10(11). Surplus will revert to pawnbroker if not paid or claimed within one year from date of sale. § 138.10(12).   |
| Penalties <sup>9</sup>                               |   |
| Pawn Ticket <sup>10</sup> or Receipt                 | Shall furnish a pawn ticket to pledger containing terms of contract for loan. § 138.10(3)(c).   |
| Inspection <sup>11</sup>                             |   |
| Reporting <sup>12</sup>                              |   |

† (WIS. STAT. ANN. § 138.10 (West 1986)).

## WYOMING†\*\*

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|--|--|
| Interest <sup>1</sup> Rate Limit                     | 20% per month. § 40-14-360(a).   |
| License <sup>2</sup>                                 |  |
| Bonds <sup>3</sup>                                   |  |
| Records <sup>4</sup> or Books                        | Required: a, b, c, e, i. § 33-6-106.   |
| Pledger <sup>5</sup> Restriction                     |  |
| Holding <sup>6</sup> Limit                           | 30 days. § 40-14-360(c)  |
| Sales <sup>7</sup> Procedure                         |  |
| Pledger's <sup>8</sup> Right Prior To and After Sale |  |
| Penalties <sup>9</sup>                               | t - misdemeanor and upon conviction shall be fined not in excess of \$100 or imprisoned not longer than 6 months, or both. § 33-6-107. |
| Pawn Ticket <sup>10</sup> or Receipt                 |  |
| Inspection <sup>11</sup>                             | Yes—by any peace officer of the city, county, state at all times. § 33-6-106.  |
| Reporting <sup>12</sup>                              |  |

† (WYO. STAT. §§ 33-6-105 to 33-6-107 § 40-14-360 (1986)).

