

**CHAPTER 63. CHARGES, PAYMENT AND RECORDS****CHARGES**

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**Authority**

The provisions of this Chapter 63 issued under the Pawnbrokers License Act (63 P. S. §§ 281-1—281-32), unless otherwise noted.

**CHARGES****§ 63.1. Interest and charges.**

The prescribed maximum total charges, including interest, shall be equivalent to an aggregate rate of 3% per month on that part of the unpaid principal balance of any loan.

**Source**

The provisions of this § 63.1 amended December 26, 1997, effective December 27, 1997, 27 Pa.B. 6796. Immediately preceding text appears at serial page (237539).

**§ 63.2. Computation.**

(a) Charges shall be computed only on the principal balance due, for the actual time elapsed from the date of the loan to the date of payment.

(b) On defaulted loans in which the pledges are sold, the charges shall be computed only to the date of sale.

(c) Licensees may compute for a full month when a fractional part of a month elapses.

(d) Charges shall not be collected or deducted in advance and shall not be compounded.

**§ 63.3. Minimum charges.**

(a) On original loans, minimum charges shall be permitted in accordance with the following table:

| <i>Amount of Loan<br/>(in dollars)</i> | <i>Minimum Charges<br/>(in dollars)</i> |
|--|---|
| 0.01 to 3.99                           | 0.25                                    |
| 4.00 to 6.99                           | 0.50                                    |
| 7.00 to 9.99                           | 0.75                                    |
| 10.00 to 14.99                         | 1.00                                    |
| 15.00 and up                           | 1.50                                    |

(b) Minimum charges shall not be permitted on renewal loans.

(c) When a pledgor has paid a minimum charge on an original loan, and it is renewed, credit shall be given to the pledgor for the amount by which the minimum charge he has paid exceeds the accrued charges. This credit shall be applied against charges thereafter accruing on the renewal loan.

(d) Licensees shall not induce or persuade a pledgor to increase the amount of the loan originally requested by the pledgor for the purpose of enabling the pawnbroker to collect the higher minimum charge.

**Cross References**

This section cited in 10 Pa. Code § 65.1 (relating to form).

**§ 63.4. Limitation on charges.**

(a) Charges on a loan shall not be allowed to accrue after the expiration of a 12-month period from the due date of such a loan, for the purposes of renewal or redemption of the pledge after the expiration of the 12-month period.

(b) When a pledge is sold for default after the expiration of 6 months from the due date, charges shall be limited to the amount of charges accrued within such 6-month period after the due date for the purpose of computing surplus due the pledgor.

**§ 63.5. Charge for reports to police.**

A \$1 charge per pledge may be assessed and collected by a licensee to cover only those governmental reporting costs pertaining to reports required to be issued by a licensee to the local or State police pertaining to that pledge, or as

otherwise permitted by the Secretary. The \$1 fee may be collected at the time the loan is made, or may be financed as part of the loan, in which latter case interest and charges on the \$1 may be made by the licensee consistent with the act.

**Source**

The provisions of this § 63.5 adopted December 26, 1997, effective December 27, 1997, 27 Pa.B. 6796.

**PAYMENT AND RENEWALS**

**§ 63.11. Receipts.**

(a) Licensees shall furnish to the pledgor, or to the person making payment on a loan, a receipt showing all of the following information:

- (1) Serial number of the pawn ticket upon which payment is made.
- (2) Date of payment.
- (3) Amount paid on principal of the loan.
- (4) Total amount paid for charges, including interest, fees for storage, insurance, investigation and other services.
- (5) The amounts, if any, paid to the licensee for cleaning, pressing, repairing or other similar services to the pledged property, which were requested by the pledgor. The amounts shall be itemized and identified.

(b) The receipts shall be prepared in duplicate. One copy shall be retained by the licensee and shall be filed with the pledgor's copies of redeemed pawn tickets.

**§ 63.12. Minimum maturity.**

Licensees shall have the right to retain the pledge for 48 hours after the loan is made. After the 48-hour period, the pledgor shall have the privilege of redeeming the pledge at any time by paying the amount of the loan and accrued charges.

**§ 63.13. Maximum maturity.**

There is no limitation as to the period for which a loan may be granted or renewed.

**§ 63.14. Eight-month renewal.**

(a) When the due date on an original loan is less than 8 months from the date of the loan, licensees shall renew the loan at the request of the pledgor so that the renewed due date shall be at least 8 months from the date of the original loan.

(b) In order to invoke the provisions of subsection (a), the pledgor shall be granted a renewal request only if he has paid the charges accrued to the date of renewal.

- (c) Licensees shall have the option to renew any loan which has been in force for a period of 8 months or more from the date of the original loan.
- (d) A new pawn ticket shall be issued to the pledgor on all renewal loans.

**Cross References**

This section cited in 10 Pa. Code § 65.1 (relating to form).

**§ 63.15. Partial payments.**

- (a) Partial payments on account of accrued charges may be accepted. If such a partial payment is made, receipt shall be shown by either:
  - (1) entering the receipt on the reverse side of the pledgor's copy of the pawn ticket and on the licensee's records; or
  - (2) issuance of a renewal pawn ticket.
- (b) Partial payments on account of principal, with payment of all accrued charges, shall operate as a renewal loan. The licensee shall issue a new pawn ticket for the reduced principal amount.

**RECORDS**

**§ 63.21. Minimum requirements.**

The following shall be the minimum records to be kept by licensees:

- (1) A journal, which shall contain a chronological record of all receipts and all disbursements of the business of the licensee.
- (2) A general ledger, which shall be of the double entry type, and shall contain appropriate accounts for all of the following:
  - (i) Assets.
  - (ii) Liabilities.
  - (iii) Incomes.
  - (iv) Expenses.
  - (v) Capital or net worth.
- (3) A loan register, or pledge book, arranged to show all of the following:
  - (i) Dates of loans in chronological order.
  - (ii) Pledge numbers in serial order.
  - (iii) Names of pledgors.
  - (iv) Descriptions of pledges.
  - (v) Previous pledge numbers on renewal loans.
  - (vi) Due dates of loans.
  - (vii) Amounts of loans.
- (4) A record of loan receipts, or redemption book, arranged to show all of the following:
  - (i) Dates of redemption, renewal or partial payment of charges.
  - (ii) Pledge numbers.
  - (iii) Principal amounts paid or liquidated by renewal.

- (iv) Charges paid.
- (v) New pledge numbers on renewed loans or an appropriate symbol indicating redemption.
- (5) A pledge sales book, which shall be arranged to show all of the following:
  - (i) Dates of sales of pledges.
  - (ii) Pledge numbers.
  - (iii) Selling prices of pledges.
  - (iv) Selling commissions.
  - (v) Amounts due on principal of loans.
  - (vi) Accrued charges.
  - (vii) Other legal charges.
  - (viii) Sale surplus or loss.
  - (ix) Names and addresses of purchasers when pledges are disposed of at private sale.
- (6) An individual loan record, which may be either embodied in the loan register, if provision is made for showing information as to redemption and sale of pledges, or kept as a separate ledger account. It shall show, with respect to each loan, all of the following information:
  - (i) All data required to be shown in the loan register, as set forth in paragraph (1).
  - (ii) Date of redemption, renewal or sale of pledge.
  - (iii) Charges collected.
  - (iv) New pledge number on renewed loans, or symbol indicating redemption.
  - (v) Date of mailing notice of sale, if any.
  - (vi) Selling price or forfeited pledges.
  - (vii) Surplus or loss from sale of pledge.
  - (viii) Date of mailing notice of surplus, if any.
  - (ix) Date of payment of surplus to pledgor, or date of forfeiture of surplus, properly identified.

**§ 63.22. Entries and postings.**

- (a) Entries in the loan register, loan receipts book, pledge sales book, journal, and postings to the individual loan record, shall be made on a daily basis.
- (b) Postings to the journal of the totals from the loan register, loan receipts book, and pledge sales book, shall be made on a monthly basis.
- (c) Postings from the journal to the general ledger shall be made on a monthly basis.
- (d) A trial balance, or a balance sheet and profit and loss statement, shall be prepared after the monthly postings have been made to the general ledger.
- (e) All records shall be either typewritten or written legibly in ink.

**§ 63.23. Retention.**

All records shall be retained for either:

- (1) Not less than 2 years after the dates of payment of loans.
- (2) Not less than 2 years after the date of sale of pledges.

**§ 63.24. Description of pledgor.**

(a) Licensees, at the time of granting a loan, shall prepare a record of the description of the pledgor. Such description shall contain all of the following:

- (1) Name and address.
- (2) Age.
- (3) Race.
- (4) Sex.
- (5) Color of hair.
- (6) Identifying marks, if any.
- (7) Either the pledgor's motor vehicle operator number or the pledgor's social security number.

(b) A duplicate of such record shall be supplied to local authorities, if required.

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