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2013-2014 Regular Sessions

I N   A S S E M B L Y

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Introduced by M. of A. SIMOTAS, STECK, BROOK-KRASNY, DINOWITZ, MONTESANO, GUNTHER, BENEDETTO, SCHIMEL, McKEVITT, COOK, MARKEY, WEPRIN, KELLNER, GOLDFEDER, QUART, JAFFEE, MILLER, BRAUNSTEIN, CAMARA -- Multi-Sponsored by -- M. of A. ABBATE, CLARK, CROUCH, GALEF, GOTTFRIED, HEVESI, HOOPER, McDONOUGH, MOYA, SEPULVEDA, SWEENEY, TITONE, WEISENBERG -- read once and referred to the Committee on Economic Development -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Economic Development in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to collateral loan brokers; and to repeal certain provisions of such law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Section 40 of the general business law, as amended by chap-  
2     ter 321 of the laws of 1983, is amended to read as follows:  
3     S 40. Licenses. No person, corporation, partnership or firm shall  
4     hereafter carry on the business of collateral loan broker, without  
5     having first obtained from the [mayor of the city or licensing authority  
6     of the local governing body where the business is to be carried on]  
7     DEPARTMENT OF FINANCIAL SERVICES a license authorizing such person to  
8     carry on the same in the manner and upon the conditions stated in the  
9     succeeding sections of this article. [In the city of New York such  
10    license may be issued by the commissioner of consumer affairs.] Nothing  
11    herein shall be construed to prohibit a collateral loan broker from  
12    employing the title pawnbroker in connection with the collateral loan  
13    business. The title pawnbroker shall be used exclusively by a collateral  
14    loan broker.  
15    S 2. Section 41 of the general business law, as amended by chapter 321  
16    of the laws of 1983, is amended to read as follows:

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 S 41. Licenses, how obtained; penalty for carrying on business without  
2 license. The [mayor or such local] DEPARTMENT OF FINANCIAL SERVICES AS  
3 licensing authority may from time to time grant, under [his] ITS hand  
4 and the official seal of [his] ITS office, to such citizens, or aliens  
5 lawfully admitted for permanent residence in the United States, as [he]  
6 IT shall deem proper and who shall produce to [him] IT satisfactory  
7 evidence of their good character, a license authorizing such person to  
8 carry on the business of a collateral loan broker, which license shall  
9 designate the house in which such person shall carry on said business,  
10 and no person, corporation, partnership or firm shall carry on the busi-  
11 ness of a collateral loan broker without being duly licensed, nor in any  
12 other house than the one designated in said license, under a penalty of  
13 one hundred dollars for each day he or they shall exercise or carry on  
14 said business without such license or at any other house than the one so  
15 designated. Any person receiving such license shall pay therefor the sum  
16 of five hundred dollars for the use of the city yearly where such busi-  
17 ness is to be conducted in a city with a population of more than one  
18 million persons, and where the business is to be conducted elsewhere the  
19 fee for such license shall not exceed two hundred fifty dollars yearly,  
20 and every such license shall expire one year from the date thereof, and  
21 may be renewed on application to the [mayor or local licensing authori-  
22 ty] DEPARTMENT OF FINANCIAL SERVICES each and every year on payment of  
23 the same sum and upon performance of the other conditions herein  
24 contained. Every person so licensed shall, at the time of receiving such  
25 license, file with the [mayor or such local licensing authority] DEPART-  
26 MENT OF FINANCIAL SERVICES granting the same a bond to the local author-  
27 ities, to be executed by the person so licensed and by two responsible  
28 sureties, in the penal sum of ten thousand dollars, to be approved by  
29 [such mayor or local licensing authority] THE DEPARTMENT OF FINANCIAL  
30 SERVICES, which bond shall be conditioned for the faithful performance  
31 of the duties and obligations pertaining to the business so licensed,  
32 and the [mayor or such local licensing authority] DEPARTMENT OF FINAN-  
33 CIAL SERVICES shall have full power and authority to revoke such license  
34 for cause.

35 S 3. Subdivisions 1 and 2 of section 41-a of the general business law,  
36 as added by chapter 699 of the laws of 2006, are amended to read as  
37 follows:

38 1. Every person licensed as a collateral loan broker pursuant to this  
39 article shall, between June thirtieth, two thousand seven and June twen-  
40 ty-ninth, two thousand nine, and during every two year period thereaft-  
41 er, complete not less than twelve hours of continuing education instruc-  
42 tion offered in a course or program approved by [any mayor or licensing  
43 authority] THE DEPARTMENT OF FINANCIAL SERVICES which licenses collat-  
44 eral loan brokers pursuant to this article. In cities having a popu-  
45 lation of one million or more, the commissioner of consumer affairs  
46 shall, on or before January thirty-first, two thousand seven, approve  
47 not less than one twelve hour continuing education instruction course or  
48 program for collateral loan brokers and not less than one eight hour  
49 continuing education instruction course or program for managers of  
50 collateral loan broker businesses, as required by subdivision two of  
51 this section. Every such course or program shall be made available  
52 through at least one distance learning methodology, such as written  
53 materials and questionnaires, internet courses or other electronic means  
54 and shall also be made available through seminars or workshops, commenc-  
55 ing on or before June thirtieth, two thousand seven. [Every mayor and  
56 licensing authority] THE DEPARTMENT OF FINANCIAL SERVICES shall consult

1 with one or more trade associations representing collateral loan brokers  
2 prior to approving any continuing education instruction course or  
3 program pursuant to this section.

4 2. Every collateral loan broker which employs more than three employ-  
5 ees, shall designate one individual as the manager of the collateral  
6 loan broker business. Upon such designation the [mayor or licensing  
7 authority, which licenses the collateral loan broker,] DEPARTMENT OF  
8 FINANCIAL SERVICES shall be provided notice by such broker of the indi-  
9 vidual who has been designated as manager of the business. Every indi-  
10 vidual designated as the manager of a collateral loan broker business  
11 shall, between June thirtieth, two thousand seven and June twenty-ninth,  
12 two thousand nine, and during every two year period thereafter, complete  
13 not less than eight hours of continuing education instruction for such  
14 managers offered in a course or program approved by [any mayor or  
15 licensing authority which licenses collateral loan brokers pursuant to  
16 this article] THE DEPARTMENT OF FINANCIAL SERVICES.

17 S 4. Section 43 of the general business law, as amended by chapter 867  
18 of the laws of 1986, is amended to read as follows:

19 S 43. Certain entries to be made in book. Every such collateral loan  
20 broker shall keep a book in which shall be [fairly written] TYPED OR  
21 WRITTEN INDELIBLY AND LEGIBLY IN ENGLISH, at the time of such loan[, an  
22 account and description of the goods, articles or things pawned or  
23 pledged, the amount of money loaned thereon, the time of pledging the  
24 same, the rate of interest to be paid on such loan, the name and resi-  
25 dence of the person pawning or pledging the said goods, articles or  
26 things and a notation of whether the pledgor claims to be the owner,  
27 consignee or agent of the owner.]:

28 1. THE NAME AND ADDRESS OF THE PAWNSHOP.

29 2. A COMPLETE AND ACCURATE DESCRIPTION OF THE PLEDGED GOODS OR  
30 PURCHASED GOODS, INCLUDING THE FOLLOWING INFORMATION, IF APPLICABLE:

- 31 (A) BRAND NAME;
- 32 (B) MODEL NUMBER;
- 33 (C) MANUFACTURER'S SERIAL NUMBER;
- 34 (D) SIZE;
- 35 (E) COLOR, AS APPARENT TO THE UNTRAINED EYE;
- 36 (F) PRECIOUS METAL TYPE, WEIGHT, AND CONTENT, IF KNOWN;
- 37 (G) GEMSTONE DESCRIPTION, INCLUDING THE NUMBER OF STONES;
- 38 (H) IN THE CASE OF FIREARMS, THE TYPE OF ACTION, CALIBER OR GAUGE,  
39 NUMBER OF BARRELS, BARREL LENGTH, AND FINISH;

40 (I) ANY OTHER UNIQUE IDENTIFYING MARKS, NUMBERS, NAMES, OR LETTERS.

41 NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION, IN THE CASE  
42 OF MULTIPLE ITEMS OF A SIMILAR NATURE DELIVERED TOGETHER IN ONE TRANS-  
43 ACTION WHICH DO NOT BEAR SERIAL OR MODEL NUMBERS AND WHICH DO NOT  
44 INCLUDE PRECIOUS METAL OR GEMSTONES, SUCH AS MUSICAL OR VIDEO  
45 RECORDINGS, BOOKS, AND HAND TOOLS, THE DESCRIPTION OF THE ITEMS IS  
46 ADEQUATE IF IT CONTAINS THE QUANTITY OF ITEMS AND DESCRIPTION OF THE  
47 TYPE OF ITEMS DELIVERED.

48 3. THE NAME, ADDRESS, HOME TELEPHONE NUMBER, PLACE OF EMPLOYMENT, DATE  
49 OF BIRTH AND PHYSICAL DESCRIPTION OF THE PLEDGOR OR SELLER, AND SUCH  
50 OTHER FORM OR FORMS OF IDENTIFICATION AS THE DEPARTMENT OF FINANCIAL  
51 SERVICES SHALL PRESCRIBE PURSUANT TO ITS AUTHORITY UNDER SECTION FIFTY-  
52 FIVE OF THIS ARTICLE.

53 4. THE DATE AND TIME OF THE TRANSACTION.

54 5. THE TYPE OF IDENTIFICATION ACCEPTED FROM THE PLEDGOR OR SELLER,  
55 INCLUDING THE ISSUING AGENCY AND THE IDENTIFICATION NUMBER.

56 6. IN THE CASE OF A PAWN:

1 (A) THE AMOUNT OF MONEY ADVANCED, WHICH MUST BE DESIGNATED AS THE  
2 AMOUNT FINANCED;

3 (B) THE MATURITY DATE OF THE PAWN, WHICH MUST BE THIRTY DAYS AFTER THE  
4 DATE OF THE PAWN;

5 (C) THE DEFAULT DATE OF THE PAWN, WHICH MUST BE THIRTY DAYS AFTER THE  
6 MATURITY DATE, AND THE AMOUNT DUE ON THE DEFAULT DATE;

7 (D) THE TOTAL FEE AMOUNT PAYABLE ON THE MATURITY DATE, WHICH MAY NOT  
8 EXCEED THIRTEEN PERCENT OF THE AMOUNT OF THE LOAN FOR ANY THIRTY-DAY  
9 PERIOD PURSUANT TO SUBDIVISION TWO OF SECTION FORTY-FOUR OF THIS ARTI-  
10 CLE;

11 (E) THE AMOUNT FINANCED PLUS THE TOTAL FEE AMOUNT THAT MUST BE PAID TO  
12 REDEEM THE PLEDGED GOODS ON THE MATURITY DATE, WHICH MUST BE DESIGNATED  
13 AS THE TOTAL OF PAYMENTS;

14 (F) THE ANNUAL PERCENTAGE RATE, COMPUTED ACCORDING TO THE REGULATIONS  
15 ADOPTED BY THE FEDERAL RESERVE BOARD UNDER THE FEDERAL TRUTH IN LENDING  
16 ACT; AND

17 (G) THE FRONT OR BACK OF THE PAWNBROKER TRANSACTION FORM MUST INCLUDE  
18 A STATEMENT THAT:

19 (I) ANY PERSONAL PROPERTY PLEDGED TO A PAWNBROKER WITHIN THIS STATE  
20 WHICH IS NOT REDEEMED WITHIN THIRTY DAYS FOLLOWING THE MATURITY DATE OF  
21 THE PAWN, IF THE THIRTIETH DAY IS NOT A BUSINESS DAY, THEN THE FOLLOWING  
22 BUSINESS DAY, IS AUTOMATICALLY FORFEITED TO THE PAWNBROKER, AND ABSOLUTE  
23 RIGHT, TITLE, AND INTEREST IN AND TO THE PROPERTY VESTS IN AND IS DEEMED  
24 CONVEYED TO THE PAWNBROKER BY OPERATION OF LAW, AND NO FURTHER NOTICE IS  
25 NECESSARY;

26 (II) THE PLEDGOR IS NOT OBLIGATED TO REDEEM THE PLEDGED GOODS; AND

27 (III) IF THE PAWNBROKER TRANSACTION FORM IS LOST, DESTROYED, OR  
28 STOLEN, THE PLEDGOR MUST IMMEDIATELY ADVISE THE ISSUING PAWNBROKER IN  
29 WRITING BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, OR IN  
30 PERSON EVIDENCED BY A SIGNED RECEIPT.

31 (IV) A PAWN MAY BE EXTENDED UPON MUTUAL AGREEMENT OF THE PARTIES.

32 7. IN THE CASE OF A PURCHASE, THE AMOUNT OF MONEY PAID FOR THE GOODS  
33 OR THE MONETARY VALUE ASSIGNED TO THE GOODS IN CONNECTION WITH THE TRAN-  
34 SACTION.

35 8. A STATEMENT THAT THE PLEDGOR OR SELLER OF THE ITEM REPRESENTS AND  
36 WARRANTS THAT IT IS NOT STOLEN, THAT IT HAS NO LIENS OR ENCUMBRANCES  
37 AGAINST IT, AND THAT THE PLEDGOR OR SELLER IS THE RIGHTFUL OWNER OF THE  
38 GOODS AND HAS THE RIGHT TO ENTER INTO THE TRANSACTION.

39 S 5. Section 44 of the general business law, as amended by chapter 321  
40 of the laws of 1983, subdivision 1 as amended by chapter 340 of the laws  
41 of 2004, subdivision 2 as amended by chapter 594 of the laws of 1997 and  
42 subdivision 3 as amended by chapter 867 of the laws of 1986, is amended  
43 to read as follows:

44 S 44. Memorandum to be given. 1. Every such collateral loan broker  
45 shall at the time of each loan deliver to the person pawning or pledging  
46 any goods, article or thing, a memorandum or note signed by him contain-  
47 ing the substance of the entry required to be made in his book by the  
48 last preceding section.

49 2. Notwithstanding any general or special statutes, local laws and  
50 ordinances to the contrary, no collateral loan broker shall ask, demand  
51 or receive [a service charge greater than ten dollars for loans equal to  
52 or greater than five hundred dollars, or seven dollars for loans equal  
53 to or greater than one hundred dollars but less than five hundred  
54 dollars for any such memorandum or note, provided that for loans less  
55 than one hundred dollars a service charge not greater than four dollars  
56 may be imposed] ANY FEE, INCLUDING BUT NOT LIMITED TO SERVICE FEES,

1 STORAGE FEES, TRANSACTION FEES, HANDLING FEES, INSURANCE FEES, BOOKKEEP-  
2 ING FEES, RECORDING FEES OR REPORTING FEES, WHICH, INDIVIDUALLY OR IN  
3 COMBINATION, EXCEEDS A TOTAL AMOUNT EQUAL TO THIRTEEN PERCENT OF THE  
4 AMOUNT OF THE LOAN FOR THE FIRST THIRTY DAYS, AND THIRTEEN PERCENT OF  
5 THE AMOUNT OF THE LOAN FOR EACH THIRTY DAYS OR PORTION THEREOF IF SUCH  
6 LOAN IS EXTENDED BEYOND THIRTY DAYS UPON MUTUAL CONSENT OF THE PAWNBROK-  
7 ER AND THE PLEDGOR. ACCORDINGLY, THE TOTAL AMOUNT CHARGED BY ANY PAWN-  
8 BROKER FOR INTEREST (CAPPED AT A MAXIMUM OF FOUR PERCENT IN SECTION  
9 FORTY-SIX OF THIS ARTICLE) AND THE TOTAL OF ANY AND ALL FEES (CAPPED AT  
10 A MAXIMUM OF THIRTEEN PERCENT IN THIS SECTION) SHALL NOT EXCEED SEVEN-  
11 TEEN PERCENT OF THE AMOUNT OF THE LOAN FOR THE FIRST THIRTY DAYS, AND  
12 SEVENTEEN PERCENT OF THE AMOUNT OF THE LOAN FOR EACH THIRTY DAYS OR  
13 PORTION THEREOF IF SUCH LOAN IS EXTENDED BEYOND THIRTY DAYS UPON MUTUAL  
14 CONSENT OF THE PAWNBROKER AND THE PLEDGOR. THE TOTAL AMOUNT CHARGED BY  
15 THE PAWNBROKER FOR INTEREST AND FOR ANY AND ALL FEES SHALL BE CLEARLY  
16 AND PLAINLY WRITTEN ON THE MEMORANDUM OR NOTE.

17 3. The holder of such memorandum or note shall be presumed to be the  
18 person entitled to redeem the pledge and the collateral loan broker  
19 shall deliver such article to the person so presenting such memorandum  
20 or note on payment of principal [and], interest AND ANY LAWFUL FEES.  
21 Should such ticket be lost or mislaid the [pawnor] PLEDGOR shall at once  
22 apply to the collateral loan broker, in which case it shall be the duty  
23 of the collateral loan broker to permit such person to examine his  
24 books, and on finding the entry for said ticket, note or memorandum so  
25 lost and upon his giving to the collateral loan broker an exact  
26 description of the article pawned the collateral loan broker shall issue  
27 a second or stop ticket for the same, provided such person shall furnish  
28 to the collateral loan broker a lost instrument bond in an amount equal  
29 to the fair market value of the pledge or, in the alternative, pay a  
30 lost ticket charge of one percent of the amount of the loan, or five  
31 dollars, whichever is greater. In case such [pawnor] PLEDGOR neglects to  
32 so apply and examine said books and receive such memorandum or note in  
33 the manner above stated, the collateral loan broker will be bound to  
34 deliver the pledge to any person producing such ticket for the redemp-  
35 tion thereof. This article is not to be construed as in any manner  
36 limiting or affecting such collateral loan broker's common law liability  
37 in cases where goods are stolen or other legal defects of title exist in  
38 the pledgor.

39 [2.] 4. In addition to the information required to be furnished pursu-  
40 ant to subdivision one of this section a pawn ticket shall contain the  
41 following notice:

42 NOTICE OF ELECTION

43 (a) [The holder of this ticket may redeem the article pledged at any  
44 time prior to sale at private sale or public auction first following  
45 default. The article pledged may not be sold at private sale or auction  
46 until it has remained four months in the collateral loan broker's  
47 possession.

48 (b) If the article pledged is sold at private sale or public auction,  
49 money, if any, in excess of the amount of the loan, interest, lawful  
50 auctioneer's commission, if applicable, lawful extra care charges and  
51 the expenses of the advertisement of sale, if applicable, shall be paid  
52 to the holder of the pawn ticket.

53 (c) If the collateral loan broker shall purchase the article pledged  
54 at auction the holder shall have an additional ten days to redeem the  
55 article pledged by paying to the collateral loan broker the amount of

1 the loan, interest, lawful auctioneer's commission, lawful extra care  
2 charges and the expense of the advertisement of sale.

3 (d) A holder may sell this ticket to a third party at any time prior  
4 to private sale or auction, or he may sell this ticket to the collateral  
5 loan broker any time ninety or more days after the article was pledged.

6 (e) If this ticket is sold to a collateral loan broker the holder may  
7 redeem the ticket within ten days after the sale by paying to the colla-  
8 teral loan broker the amount paid for the ticket] THE HOLDER OF THIS  
9 TICKET MAY REDEEM THE ARTICLE PLEDGED AT ANY TIME PRIOR TO DEFAULT, THE  
10 DATE OF DEFAULT BEING THIRTY DAYS AFTER THE MATURITY DATE OF THE PAWN.  
11 ANY PERSONAL PROPERTY PLEDGED TO A PAWNBROKER WITHIN THIS STATE WHICH IS  
12 NOT REDEEMED WITHIN THIRTY DAYS FOLLOWING THE MATURITY DATE OF THE PAWN,  
13 IF THE THIRTIETH DAY IS NOT A BUSINESS DAY, THEN THE FOLLOWING BUSINESS  
14 DAY, IS AUTOMATICALLY FORFEITED TO THE PAWNBROKER, AND ABSOLUTE RIGHT,  
15 TITLE, AND INTEREST IN AND TO THE PROPERTY VESTS IN AND IS DEEMED  
16 CONVEYED TO THE PAWNBROKER BY OPERATION OF LAW, AND NO FURTHER NOTICE IS  
17 NECESSARY.

18 (B) THE MATURITY DATE OF THE PAWN IS THE DATE THIRTY DAYS AFTER THE  
19 DATE OF THE PAWN TRANSACTION, PROVIDED THAT IF THE THIRTIETH DAY IS NOT  
20 A BUSINESS DAY, THEN THE FOLLOWING BUSINESS DAY IS THE MATURITY DATE.  
21 HOWEVER, THE MATURITY DATE OF THE PAWN MAY BE EXTENDED TO A MAXIMUM OF  
22 FOUR MONTHS FROM THE DATE OF THE PAWN TRANSACTION, BUT ONLY UPON THE  
23 MUTUAL CONSENT OF THE PAWNBROKER AND THE PLEDGOR.

24 (C) A HOLDER MAY SELL THIS TICKET TO A THIRD PARTY AT ANY TIME PRIOR  
25 TO DEFAULT, OR HE MAY SELL THIS TICKET TO THE COLLATERAL LOAN BROKER ANY  
26 TIME NINETY OR MORE DAYS AFTER THE ARTICLE WAS PLEDGED, SO LONG AS SUCH  
27 TIME IS PRIOR TO DEFAULT.

28 [3.] 5. Notwithstanding any general, special or local law or ordinance  
29 to the contrary, if a collateral loan broker in good faith and without  
30 knowledge extends credit on a loan, the collateral for which was  
31 entrusted to the pledgor on consignment or was entrusted by a merchant  
32 dealing in goods of the kind pledged to the pledgor who was a merchant  
33 dealing in goods of the kind pledged, the collateral loan broker shall  
34 be required to relinquish the collateral to the legal owner provided the  
35 amount of the loan [and], interest due [is] AND ANY LAWFUL FEES paid.

36 S 6. Section 45 of the general business law, as amended by chapter 321  
37 of the laws of 1983, is amended to read as follows:

38 S 45. Book to be open to inspection. 1. The said book and any and all  
39 other books and records regularly kept by such collateral loan broker  
40 shall at all reasonable times be open to the inspection of the attorney  
41 general, THE DEPARTMENT OF FINANCIAL SERVICES AS THE LICENSING AUTHORI-  
42 TY, the state comptroller, the mayor or local [licensing authority]  
43 GOVERNMENT OFFICIALS, all judges of the criminal courts, the superinten-  
44 dent of police, police inspectors, captains of police and police  
45 justices of such cities, or any or either of them, or of any person who  
46 shall be duly authorized in writing for that purpose by any or either of  
47 them, and who shall exhibit such written authority to such collateral  
48 loan broker. The [mayor or the licensing authority of any local govern-  
49 ing body] DEPARTMENT OF FINANCIAL SERVICES, the state comptroller, the  
50 attorney general, THE MAYOR OR LOCAL GOVERNMENT OFFICIALS and any person  
51 duly authorized by them shall have the power to administer oaths and to  
52 examine under oath any such collateral loan broker or any officer, or  
53 agent, of such collateral loan broker and any other person having custo-  
54 dy or control of such books and records. Such books and records shall be  
55 retained in the possession of the collateral loan broker, in good condi-  
56 tion and in an orderly fashion for at least a period of six years.

2. ON OR BEFORE THE END OF EACH BUSINESS DAY, THE PAWNBROKER MUST DELIVER TO THE APPROPRIATE LAW ENFORCEMENT OFFICIAL THE ORIGINAL PAWNBROKER TRANSACTION FORMS FOR EACH OF THE TRANSACTIONS OCCURRING DURING THE PREVIOUS BUSINESS DAY, UNLESS OTHER ARRANGEMENTS HAVE BEEN AGREED UPON BETWEEN THE PAWNBROKER AND THE APPROPRIATE LAW ENFORCEMENT OFFICIAL.

3. IF THE APPROPRIATE LAW ENFORCEMENT AGENCY SUPPLIES THE APPROPRIATE SOFTWARE AND THE PAWNBROKER PRESENTLY HAS THE COMPUTER ABILITY, PAWN TRANSACTIONS SHALL BE ELECTRONICALLY TRANSFERRED TO THE APPROPRIATE LAW ENFORCEMENT OFFICIAL.

S 7. Section 46 of the general business law, as amended by chapter 651 of the laws of 2005, is amended to read as follows:

S 46. Rate of interest. 1. Notwithstanding any general or special statutes, local laws and ordinances to the contrary, no collateral loan broker shall ask, demand or receive any greater rate of interest than four [per centum per month, or any fraction of a month, and a] PERCENT OF THE AMOUNT OF THE LOAN FOR THE FIRST THIRTY DAYS, AND FOUR PERCENT OF THE AMOUNT OF THE LOAN FOR EACH THIRTY DAYS OR PORTION THEREOF IF SUCH LOAN IS EXTENDED BEYOND THIRTY DAYS UPON MUTUAL CONSENT OF THE PAWNBROKER AND THE PLEDGOR. A notice containing a list of such rates of interest as herein provided and in accordance with the act of congress entitled "Truth in Lending Act" and the regulations thereunder, as such act and regulations may from time to time be amended shall be conspicuously displayed within the premises of such collateral loan broker. A minimum interest charge of twenty-five cents per month may be made on any loan.

2. No collateral loan broker shall receive or be entitled to any interest or [charges] LAWFUL FEES as provided by this article on any loan [for any] OF A period of time exceeding [fifteen] FOUR months [from the date of the making of such loan], provided however that where a loan is extended at the direct request of the pledgor, the collateral loan broker may receive and be entitled to any interest [or charges] AND LAWFUL FEES provided by this article on such loan [for any] OF A period of time not to exceed [fifteen] FOUR months [from the date of such extension].

S 8. Sections 48, 49 and 50 of the general business law are REPEALED.

S 9. Section 51 of the general business law, as amended by chapter 321 of the laws of 1983, is amended to read as follows:

S 51. Violation of this article. The [mayor or local] DEPARTMENT OF FINANCIAL SERVICES AS THE licensing authority so licensing such collateral loan broker shall have full power and authority after a hearing to impose fines and penalties of not less than twenty-five dollars nor more than one hundred dollars upon persons offending against any of the foregoing provisions of this article for each and every offense, excepting sections forty and forty-one, and may also suspend or revoke the license of the collateral loan broker willfully violating any of the aforesaid provisions.

S 10. The opening paragraph and subdivisions f, h and i of section 53 of the general business law, as amended by chapter 321 of the laws of 1983, are amended to read as follows:

After September first, nineteen hundred sixty, no person, corporation, partnership, firm or association shall carry on the business of collateral loan broker within the state of New York unless and until such collateral loan broker shall have caused to be filed in the office of the [state comptroller] DEPARTMENT OF FINANCIAL SERVICES upon forms prescribed by [him] IT a statement, duly verified as hereinafter

1 provided, to be known as "Collateral Loan Broker's Registration State-  
2 ment" containing:

3 f. In the event that after any collateral loan broker shall have filed  
4 a statement as above, any change shall take place in the personnel of  
5 the partners, principals, officers or in the location of the principal,  
6 such collateral loan broker shall file a statement with the [state comp-  
7 troller] DEPARTMENT OF FINANCIAL SERVICES to be known as a "Collateral  
8 Loan Broker's Supplemental Registration Statement", duly verified as  
9 hereinafter provided, setting forth in full the details thereof.

10 h. The [state comptroller] DEPARTMENT OF FINANCIAL SERVICES may in  
11 [his] ITS discretion adopt forms for the use of collateral loan brokers  
12 for filing any statement with [his] ITS department pursuant to the  
13 provisions of this section and furnish such forms to collateral loan  
14 brokers without charge or fee therefor. The [state comptroller] DEPART-  
15 MENT OF FINANCIAL SERVICES shall collect the following fees:

16 For filing each "Collateral Loan Broker's Registration Statement",  
17 five dollars; for filing each "Collateral Loan Broker's Supplemental  
18 Statement", two dollars and fifty cents.

19 The fees herein enumerated shall be payable at the time of filing and  
20 no filing shall be deemed effective within the meaning of this section  
21 until such fees have been paid.

22 i. Whenever a collateral loan broker shall have filed any registration  
23 statement or supplemental registration statement required to be filed  
24 under the provisions of this section or shall have prepared in such  
25 registration statement or supplemental registration statement and have  
26 forwarded the same together with the fees required by subdivision h of  
27 this section, postage prepaid and properly addressed, to [the office of  
28 the state comptroller in Albany] ONE OF THE OFFICES OF THE DEPARTMENT OF  
29 FINANCIAL SERVICES, WHICH OFFICES ARE LOCATED IN NEW YORK CITY, MINEOLA,  
30 ALBANY, BUFFALO AND SYRACUSE, NEW YORK, such collateral loan broker, as  
31 to the filing of such collateral loan broker's statement or supplemental  
32 registration statement shall be deemed to have complied with the  
33 requirements of this section.

34 S 11. Section 55 of the general business law, as amended by chapter  
35 321 of the laws of 1983, is amended to read as follows:

36 S 55. Rules and regulations. The [state comptroller] DEPARTMENT OF  
37 FINANCIAL SERVICES AS THE LICENSING AUTHORITY UNDER THIS ARTICLE is  
38 hereby authorized and empowered to require the keeping of such addi-  
39 tional books, records, entries and reports as [he] IT may deem necessary  
40 [and to determine the amount of the surplus payable as abandoned proper-  
41 ty in the event of non-compliance with the provisions of this article].

42 S 12. This act shall take effect immediately and shall apply to colla-  
43 teral loans made on and after such date.