

4115--B

2013-2014 Regular Sessions

I N S E N A T E

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Introduced by Sens. SAVINO, ADDABBO, AVELLA -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Consumer Protection in accordance with Senate Rule 6, sec. 8 -- 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:
17 S 41. Licenses, how obtained; penalty for carrying on business without
18 license. The [mayor or such local] DEPARTMENT OF FINANCIAL SERVICES AS
19 licensing authority may from time to time grant, under [his] ITS hand
20 and the official seal of [his] ITS office, to such citizens, or aliens

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

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

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

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

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

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

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

25 1. THE NAME AND ADDRESS OF THE PAWNSHOP.

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

28 (A) BRAND NAME;

29 (B) MODEL NUMBER;

30 (C) MANUFACTURER'S SERIAL NUMBER;

31 (D) SIZE;

32 (E) COLOR, AS APPARENT TO THE UNTRAINED EYE;

33 (F) PRECIOUS METAL TYPE, WEIGHT, AND CONTENT, IF KNOWN;

34 (G) GEMSTONE DESCRIPTION, INCLUDING THE NUMBER OF STONES;

35 (H) IN THE CASE OF FIREARMS, THE TYPE OF ACTION, CALIBER OR GAUGE,
36 NUMBER OF BARRELS, BARREL LENGTH, AND FINISH;

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

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

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

50 4. THE DATE AND TIME OF THE TRANSACTION.

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

53 6. IN THE CASE OF A PAWN:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 [2.] 4. In addition to the information required to be furnished pursu-
38 ant to subdivision one of this section a pawn ticket shall contain the
39 following notice:

40 NOTICE OF ELECTION

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

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

51 (c) If the collateral loan broker shall purchase the article pledged
52 at auction the holder shall have an additional ten days to redeem the
53 article pledged by paying to the collateral loan broker the amount of
54 the loan, interest, lawful auctioneer's commission, lawful extra care
55 charges and the expense of the advertisement of sale.

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

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

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

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

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

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

S 45. Book to be open to inspection. 1. The said book and any and all other books and records regularly kept by such collateral loan broker shall at all reasonable times be open to the inspection of the attorney general, THE DEPARTMENT OF FINANCIAL SERVICES AS THE LICENSING AUTHORITY, the state comptroller, the mayor or local [licensing authority] GOVERNMENT OFFICIALS, all judges of the criminal courts, the superintendent of police, police inspectors, captains of police and police justices of such cities, or any or either of them, or of any person who shall be duly authorized in writing for that purpose by any or either of them, and who shall exhibit such written authority to such collateral loan broker. The [mayor or the licensing authority of any local governing body] DEPARTMENT OF FINANCIAL SERVICES, the state comptroller, the attorney general, THE MAYOR OR LOCAL GOVERNMENT OFFICIALS and any person duly authorized by them shall have the power to administer oaths and to examine under oath any such collateral loan broker or any officer, or agent, of such collateral loan broker and any other person having custody or control of such books and records. Such books and records shall be retained in the possession of the collateral loan broker, in good condition 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 PAWN-

1 BROKER TRANSACTION FORMS FOR EACH OF THE TRANSACTIONS OCCURRING DURING
2 THE PREVIOUS BUSINESS DAY, UNLESS OTHER ARRANGEMENTS HAVE BEEN AGREED
3 UPON BETWEEN THE PAWNBROKER AND THE APPROPRIATE LAW ENFORCEMENT OFFI-
4 CIAL.

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

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

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

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

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

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

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

45 S 10. The opening paragraph and subdivisions f, h and i of section 53
46 of the general business law, as amended by chapter 321 of the laws of
47 1983, are amended to read as follows:

48 After September first, nineteen hundred sixty, no person, corporation,
49 partnership, firm or association shall carry on the business of collat-
50 eral loan broker within the state of New York unless and until such
51 collateral loan broker shall have caused to be filed in the office of
52 the [state comptroller] DEPARTMENT OF FINANCIAL SERVICES upon forms
53 prescribed by [him] IT a statement, duly verified as hereinafter
54 provided, to be known as "Collateral Loan Broker's Registration State-
55 ment" containing:

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

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

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

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

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

32 S 11. Section 55 of the general business law, as amended by chapter
33 321 of the laws of 1983, is amended to read as follows:

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

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