

Enrolled
House Bill 3629

Sponsored by Representative WINGARD (at the request of Oregon Pawnbrokers Association) (Pre-session filed.)

CHAPTER

AN ACT

Relating to pawnbroker pledge loans; creating new provisions; amending ORS 726.400; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 726.400 is amended to read:

726.400. (1) Unless a pledgor and a pawnbroker agree to a longer loan period and the longer loan period is written on the pawn ticket, a pledge loan shall be made for a period of 60 days. A pledge may be redeemed and the pledge loan repaid at any time before the loan period expires. A pawn ticket must clearly state the expiration date of the loan.

(2) A pledgor and a pawnbroker may agree to renew a pledge loan for successive periods of 60 days or **longer**. [*for successive periods of a length upon which the pledgor and pawnbroker agree.*] A loan is a renewal of the original loan if the pledgor pays only the interest and the fees on the loan or pays **a portion of** the principal, the interest and the fees on the loan [*but*] **and** accepts another pledge loan from the pawnbroker on the same pledge on the same day.

(3) Except for a pledge that secures a pledge loan of \$500 or less, the pawnbroker may not deem a pledge to be forfeited until:

(a) The pawnbroker notifies the pledgor that the pledge is at risk of forfeiture after the period described in subsection (1) **or** (2) of this section expires; and

(b) The pledgor has had an opportunity to redeem the pledge as provided in this section.

(4) The notice described in subsection (3) of this section must be in writing and delivered postpaid in a securely closed envelope addressed to the pledgor at the last-known address shown on the pawnbroker's record by:

(a) Regular mail, if the pledge secures a loan of more than \$500 but less than \$1,500; or

(b) Certified mail, return receipt requested, and regular mail, if the pledge secures a loan of \$1,500 or more.

(5) Delivery of a notice under this section occurs when the notice is mailed as provided in this section. As evidence of the notification, the pawnbroker shall keep a copy of each notice the pawnbroker sends by regular or certified mail, together with the certified return receipt card or the returned envelope for the notice, for at least two years. The pledgor shall bear the postal costs and a reasonable charge for preparing a notice for delivery by certified mail.

(6) A pledgor has a grace period of 30 days after the [*delivery*] **mailing date** of the notice required by this [*subsection*] **section** in which to redeem the pledge or to renew the loan by paying any renewal fee and all the accrued interest and fees to date. There is no grace period after a renewal expires.

(7) A pledge that is not redeemed within 30 days after the mailing date of a notice given under this section or within the renewal period, if any, is forfeited. The pawnbroker acquires the pledgor's title and interest in the forfeited pledge and the right to hold and dispose of the pledge as the pawnbroker's own property.

SECTION 2. The amendments to ORS 726.400 by section 1 of this 2010 Act apply to pledge loans made on or after the effective date of this 2010 Act.

SECTION 3. This 2010 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect on its passage.

Passed by House February 5, 2010

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Chief Clerk of House

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Speaker of House

Passed by Senate February 18, 2010

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President of Senate

Received by Governor:

.....M,....., 2010

Approved:

.....M,....., 2010

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Governor

Filed in Office of Secretary of State:

.....M,....., 2010

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Secretary of State