

REVENUE: No Revenue Impact
FISCAL: No Fiscal Impact
SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 4/29

WHAT THE MEASURE DOES: Modifies percentage rate and amount of fees a pawnbroker may charge for storage and setup in connection with pledge loans.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Department of Consumer and Business Services' Division of Finance and Corporate Securities regulates and licenses pawnbrokers. There are currently over 80 pawnbrokers licensed in the state of Oregon. Pawnbrokers make loans secured by personal property. Unless stated otherwise on the pawn ticket, a pledge loan is for 60 days; loans may be renewed for 60 days or longer. The interest and fees a pawnbroker is allowed to charge are set in statute. For the loan itself, the pawnbroker may not charge more than three percent interest per month. In addition, for each loan and renewal, they may charge a set-up fee of ten percent with a \$100 maximum, and a storage fee of three percent with a \$100 maximum. House Bill 2798 raises the maximum set-up fee from the current \$100 to \$250, and increases the storage fee from the current three percent to five percent of the loan, with a maximum of \$250 (up from \$100).