

Enrolled
House Bill 2619

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Judiciary)

CHAPTER

AN ACT

Relating to pawnbroker notices of risk of pledge forfeiture; creating new provisions; and amending ORS 726.400.

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 must 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. 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 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) of this section expires; and

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

(4)(a) **Except as provided in paragraph (b) of this subsection,** 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 regular mail.

(b) At the time the pawnbroker makes or renews the loan, the pledgor may agree in writing to receive the notice described in subsection (3) of this section by electronic mail or other electronic means instead of by regular mail.

(5)(a) Delivery of a notice under this section occurs when the notice is mailed **or sent electronically** as provided in this section. **The pawnbroker shall bear any postal costs for the notice.** *[As evidence of the notification, the pawnbroker shall keep a copy of each notice the pawnbroker sends by regular mail, together with the returned envelope for the notice, for at least two years. The pawnbroker shall bear the postal costs for the notice.]*

(b) As evidence of delivery of the notice described in paragraph (a) of this subsection, the pawnbroker shall keep for at least two years:

(A) A copy of, and the returned envelope for, each notice the pawnbroker sends by regular mail; and

(B) An electronic record of each notice the pawnbroker sends by electronic mail or other electronic means.

(6) A pledgor has a grace period of 30 days after the pledge loan period expires or 30 days after the [mailing] **delivery date specified in subsection (5) of this section** of the notice required under this section, whichever date is later, 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 is forfeited if the pledge is not redeemed within the renewal period, if any, or within 30 days after the loan period expires or 30 days after the [mailing] **delivery date specified in subsection (5) of this section** of a notice given under this section, whichever date is later. 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 2017 Act apply to pledge loan transactions, including loan renewals, that occur on or after the effective date of this 2017 Act.

Passed by House February 15, 2017

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 4, 2017

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2017

Approved:

.....M,....., 2017

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2017

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Dennis Richardson, Secretary of State