

SUBSTITUTE FOR
HOUSE BILL NO. 4823

A bill to amend 1917 PA 273, entitled
"An act to regulate and license pawnbrokers in certain governmental
units of this state; and to prescribe certain powers and duties of
certain local governmental units and state agencies,"
by amending sections 8 and 9 (MCL 446.208 and 446.209), section 8
as amended by 2002 PA 469 and section 9 as amended by 2004 PA 585.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) A pawnbroker, at the time of a loan, shall deliver
2 to the person pawning or pledging any article ~~—a—~~ **AN ENTRY,**
3 memorandum, or note signed by him or her, containing the substance
4 of the entry required to be made ~~—by him or her—~~ in his or her
5 ~~book—~~ **RECORDS OR DATABASE** by section 6. ~~—A~~
6 (2) **THE PAWNBROKER SHALL NOT IMPOSE OR RECEIVE A** charge ~~—shall~~
7 ~~not be made or received by the pawnbroker—~~ for the entry,

1 memorandum, or note.

2 (3) The **ENTRY**, memorandum, or note shall be consecutively
 3 numbered, and upon its back shall be printed in English in 12-point
 4 type the following: "If interest or charges in excess of 3% per
 5 month, ~~plus~~ **NOT INCLUDING** storage **AND USAGE** charges provided in
 6 this document, are asked or received, this loan is void and of no
 7 effect; and the borrower cannot be made to pay back the money
 8 loaned, any interest on the loan, or any charges or any part of the
 9 charges, and the pawnbroker loses all right to the possession of
 10 the goods, article, or thing pawned, and shall surrender the item
 11 to the borrower or pawner upon due demand for the item.".

12 Sec. 9. (1) A licensed pawnbroker may charge upon any loan a
 13 rate of interest not to exceed 3% per month and is not required to
 14 accept any interest less than 50 cents on a single loan.

15 (2) A pawnbroker may also charge **EITHER OF THE FOLLOWING:**

16 (A) **A STORAGE FEE OF** \$1.00 per month or fraction of a month
 17 for the storage of unencumbered personal property under any single
 18 pledge or pawn.

19 (B) ~~(2) A pawnbroker may charge~~ **A USAGE FEE OF** \$1.00 per
 20 month or fraction of a month ~~for a usage fee~~ for unencumbered
 21 personal property pawned or pledged and used by the pawner, during
 22 the term of the pawn or pledge.

23 (3) A usage fee **AND A STORAGE FEE** charged under ~~this~~
 24 subsection ~~is~~ (2) **ARE** not considered interest.

25 (4) ~~(3)~~ A pawnbroker or the pawnbroker's agent or employee
 26 shall not charge or receive interest on the loan in excess of the
 27 amounts provided for in this act. ~~(4)~~ Interest on any loan is not

1 payable in advance and shall be computed on unpaid monthly balances
2 without compounding.

3 (5) A pawnbroker is not entitled to any examination fee and
4 shall not make any charge in excess of the amounts provided for in
5 this act.