

HOUSE BILL No. 5954

November 13, 2014, Introduced by Rep. Walsh and referred to the Committee on Financial Services.

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. A pawnbroker, at the time of a loan, shall deliver to
2 the person pawning or pledging any article a memorandum or note
3 signed by him or her, ~~containing~~ **THAT CONTAINS** the substance of the
4 entry **HE OR SHE IS** required ~~to be made by him or her~~ **TO MAKE** in his
5 or her book by section 6. ~~A~~ **THE PAWNBROKER SHALL NOT MAKE OR**
6 **RECEIVE A** charge ~~shall not be made or received by the pawnbroker~~
7 for the entry, memorandum, or note. The memorandum or note shall be
8 consecutively numbered and ~~upon~~ **ON** its back ~~shall be printed~~ **THE**

1 **PAWNBROKER SHALL PRINT** in English in 12-point type the following:

2 "If interest ~~or charges~~ in excess of 3% per month, plus storage
3 ~~charges~~ **AND USAGE FEES** provided in this document, are asked or
4 received, this loan is void and of no effect; and the borrower
5 cannot be made to pay back the money loaned, any interest on the
6 loan, or any ~~charges~~ **FEES** or any part of the ~~charges~~, **FEES**, and the
7 pawnbroker loses all right to the possession of the goods, article,
8 or thing pawned, and shall surrender the item to the borrower or
9 pawner upon due demand for the item.".

10 Sec. 9. (1) A licensed pawnbroker may charge ~~upon~~ **ON** any loan
11 a rate of interest ~~not to~~ **THAT DOES NOT** exceed 3% per month and is
12 not required to accept any interest less than 50 cents on a single
13 loan. A pawnbroker may also charge \$1.00 per month or fraction of a
14 month for the storage of unencumbered personal property under any
15 single pledge or pawn.

16 (2) ~~A~~ **IN ADDITION TO INTEREST UNDER SUBSECTION (1), A**
17 pawnbroker may charge ~~\$1.00~~ **20%** per month ~~or fraction of a month~~
18 for a usage fee for unencumbered personal property pawned or
19 pledged and used by the pawner during the term of the pawn or
20 pledge. A usage fee charged under this subsection is not considered
21 interest.

22 (3) A pawnbroker or the pawnbroker's agent or employee shall
23 not charge or receive interest **AND FEES** ~~on the loan in excess of A~~
24 **LOAN THAT EXCEED** the amounts ~~provided for~~ **ESTABLISHED** in this act.

25 (4) Interest on ~~any~~ **A** loan is not payable in advance and shall
26 be computed on unpaid monthly balances without compounding.

27 (5) A pawnbroker is not entitled to any examination fee and

1 shall not make any charge ~~in excess of~~ **THAT EXCEEDS** the amounts
2 ~~provided for~~ **ESTABLISHED** in this act.