

HOUSE BILL NO. 4628

April 13, 2021, Introduced by Rep. Hornberger and referred to the Committee on Regulatory Reform.

A bill to amend 1917 PA 273, entitled

"An act to regulate and license pawnbrokers that conduct business in this state; to provide for the disposition of allegedly misappropriated property in the possession of pawnbrokers; to provide remedies and prescribe penalties; and to provide for the 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 2018 PA 345.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. A pawnbroker, at the time of a loan, shall deliver to

1 the person pawning or pledging any article a memorandum or note
 2 signed by ~~him or her~~, **the pawnbroker**, containing the substance of
 3 the entry ~~required to be made by him or her~~ **the pawnbroker** in his
 4 ~~or her~~ **the pawnbroker's** book ~~by that is required under~~ section 6. A
 5 **The pawnbroker shall not make or receive a** charge ~~shall not be made~~
 6 ~~or received by the pawnbroker~~ for the entry, memorandum, or note.
 7 The memorandum or note ~~shall~~ **must** be consecutively numbered and
 8 ~~upon the following must be printed on~~ its back ~~shall be printed in~~
 9 English in 12-point type: ~~the following:~~ "If interest or charges in
 10 excess of ~~3%~~ **4%** per month, plus storage charges provided in this
 11 document, are asked or received, this loan is void and of no
 12 effect, ~~and~~ the borrower cannot be made to pay back the money
 13 loaned, any interest on the loan, or any charges or any part of the
 14 charges, and the pawnbroker loses all right to the possession of
 15 the goods, article, or thing pawned, ~~and~~ shall surrender the item
 16 to the borrower or pawner ~~upon~~ **on** due demand for the item."

17 Sec. 9. (1) A licensed pawnbroker may charge on any loan a
 18 rate of interest that does not exceed ~~3%~~ **4%** per month and is not
 19 required to accept any interest less than 50 cents on a single
 20 loan. A pawnbroker may also charge \$3.00 per month or fraction of a
 21 month for the storage of unencumbered personal property under any
 22 single pledge or pawn.

23 (2) A pawnbroker or the pawnbroker's agent or employee shall
 24 not charge or receive interest on a loan that exceeds the amounts
 25 established in this act.

26 (3) Interest on a loan is not payable in advance and ~~shall~~
 27 **must** be computed on unpaid monthly balances without compounding.

28 (4) A pawnbroker is not entitled to any examination fee and
 29 shall not make any charge that exceeds the amounts established in

1 this act.

2 Enacting section 1. This amendatory act takes effect 90 days

3 after the date it is enacted into law.