

The House Committee on Regulated Industries offers the following substitute to HB 353:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 5 of Article 3 of Chapter 12 and Part 5 of Article 8 of Chapter 14 of Title 44
2 of the Official Code of Georgia Annotated, relating to pawnbrokers and liens by
3 pawnbrokers, factors, bailees, acceptors, and depositories, respectively, so as to provide for
4 fixed term pawn transactions for loans involving the pledge of a motor vehicle or a motor
5 vehicle certificate of title as security; to provide for procedures, conditions, and limitations
6 for such pawn transactions; to provide for definitions; to provide for permitted charges, term
7 length, and prepayment of such pawn transactions; to provide for grace periods; to provide
8 for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Part 5 of Article 3 of Chapter 12 of Title 44 of the Official Code of Georgia Annotated,
12 relating to pawnbrokers, is amended in Code Section 44-12-130, relating to definitions, by
13 revising paragraphs (1) and (5) as follows:

14 "(1) 'Fixed term pawn transaction' means a pawn transaction involving the pledge of a
15 motor vehicle or a motor vehicle certificate of title as security for an agreed-upon number
16 of months or 30 day periods.

17 (1.1) 'Month' means that period of time from one date in a calendar month to the
18 corresponding date in the following calendar month, but if there is no such corresponding
19 date, then the last day of such following month."

20 "(5) 'Pledged goods' means tangible personal property, including, without limitation, all
21 types of motor vehicles or any motor vehicle certificate of title, ~~which property that~~ is
22 purchased by, deposited with, or otherwise actually delivered into the possession of a
23 pawnbroker in connection with a pawn transaction or fixed term pawn transaction.
24 However, for purposes of this Code section, possession of any motor vehicle certificate
25 of title which has come into the possession of a pawnbroker through a pawn transaction
26 or a fixed term pawn transaction made in accordance with law shall be conclusively

27 deemed to be possession of the motor vehicle, and the pawnbroker shall retain physical
 28 possession of the motor vehicle certificate of title for the entire length of the pawn
 29 transaction or fixed term pawn transaction but shall not be required in any way to retain
 30 physical possession of the motor vehicle at any time. 'Pledged goods' shall not include
 31 choses in action, securities, or printed evidences of indebtedness."

32 **SECTION 2.**

33 Said part is further amended by revising Code Section 44-12-131, relating to duration of
 34 pawn transactions; prohibition of lease-back of motor vehicles; taking possession of motor
 35 vehicles; restrictions on interest, fees, and charges; action to recover excessive or undisclosed
 36 charges; and consequences of such charges, as follows:

37 "44-12-131.

38 (a)(1) All pawn transactions other than fixed term pawn transactions shall be for 30 day
 39 periods but may be extended or continued for additional 30 day periods.

40 (2) All fixed term pawn transactions shall be for an agreed-upon number of months, not
 41 to exceed 24 months, or 30 day periods, not to exceed 720 days.

42 (b)(1) The agreed-upon scheduled payments of a fixed term pawn transaction shall be
 43 substantially equal in amount and shall be calculated in a manner that fully amortizes the
 44 entire redemption or repurchase price and all interest and pawnshop charges by the
 45 maturity date; provided, however, that the first and last payment amounts may differ from
 46 the amounts of the other payments, provided that the final payment is not
 47 disproportionately larger than the other payments. In calculating and disclosing the
 48 payment schedule of a fixed term pawn transaction, a pawnbroker shall assume that the
 49 pledgor or seller will make all scheduled payments in full and on scheduled payment
 50 dates. The prohibition of a final payment which is disproportionately larger than the
 51 other payments shall not prohibit a pawnbroker from charging, collecting, or receiving
 52 additional interest and pawnshop charges on past due amounts. The first payment period
 53 of a fixed term pawn transaction may be shorter or longer than all other payment periods,
 54 provided that such payment period shall not be less than 28 days and not more
 55 than 45 days from the pawn transaction date and provided, further, that any difference in
 56 the amount of the first scheduled payment shall be proportional to the difference in length
 57 of the first payment period.

58 (2) For any fixed term pawn transaction, a pawnbroker may charge interest and charges
 59 not to exceed the interest and charges permitted under paragraphs (1) and (2) of
 60 subsection (d) of this Code section, provided that for fixed term pawn transactions with
 61 a set number of monthly periods, such rates may be applied for each monthly period
 62 rather than 30 day periods.

63 (3) For a fixed term pawn transaction with an agreed-upon number of months, the rate
 64 of interest and amount of charges shall be calculated and charged on a daily basis for the
 65 number of days outstanding, assuming a year of 365 days. For a fixed term pawn
 66 transaction with an agreed-upon number of 30 day periods, the rate of interest and
 67 amount of charges shall be calculated and charged on a daily basis, assuming a year of
 68 360 days consisting of 12 months of 30 days each.

69 (4) For a fixed term pawn transaction, interest and pawnshop charges may continue to
 70 accrue on the unpaid principal balance, including past due principal amounts, at the
 71 then-applicable daily rate until such unpaid principal amounts are paid in full. Such
 72 interest shall not be capitalized or compounded or paid, deducted, or received in advance.

73 (5) For any fixed term pawn transaction, the pledgor or seller may prepay in whole or in
 74 part or redeem or repurchase a motor vehicle or motor vehicle certificate of title at any
 75 time without any prepayment penalty. The redemption or repurchase amount shall be
 76 equal to the outstanding principal balance plus interest and pawnshop charges and other
 77 permitted fees accrued through and including the date of redemption or repurchase.

78 (c)(1) A pawnbroker shall not lease back to the ~~seller or pledgor~~ pledgor or seller any
 79 motor vehicle during a pawn transaction or fixed term pawn transaction or during any
 80 extension or continuation of the pawn transaction thereof.

81 ~~(3)(2)~~ (2) Unless otherwise agreed, a pawnbroker has upon default of the pledgor or seller
 82 under a pawn transaction or fixed term pawn transaction involving a motor vehicle title,
 83 the pawnbroker has the right to take possession of the motor vehicle. In taking
 84 possession, the pawnbroker or his or her agent may proceed without judicial process if
 85 this can be done without breach of the peace or may proceed by action.

86 ~~(4)(A)(d)(1)~~ (1) During the first 90 days of any pawn transaction or extension or
 87 continuation of the pawn transaction, a pawnbroker may charge for each 30 day period
 88 interest and pawnshop charges which together equal no more than 25 percent of the
 89 principal amount ~~advanced~~ owed, with a minimum charge of up to \$10.00 per 30 day
 90 period.

91 ~~(B)(2)~~ (2) On any pawn transaction which is continued or extended beyond 90 days, a
 92 pawnbroker may charge for each 30 day period interest and pawnshop charges which
 93 together equal no more than 12.5 percent of the principal amount ~~advanced~~ owed, with
 94 a minimum charge of up to \$5.00 per 30 day period.

95 ~~(C)(3)~~ (3) In addition to the charges provided for in ~~subparagraphs (A)~~
 96 paragraphs (1) and ~~(B)~~ (2) of this paragraph subsection, in a pawn transaction or fixed
 97 term pawn transaction or in any extension or continuation of a pawn transaction or fixed
 98 term pawn transaction involving a motor vehicle or a motor vehicle certificate of title, a
 99 pawnbroker may charge the following:

100 ~~(i)~~(A) A fee equal to ~~no~~ not more than any fee imposed by the appropriate state to
 101 register a lien upon a motor vehicle title, but only if the pawnbroker actually registers
 102 such a lien;

103 ~~(ii)~~(B) No more than \$5.00 per day in storage fees, but only if an actual repossession
 104 pursuant to a default takes place on a vehicle which was not already in the pawnbroker's
 105 possession and only for each day the pawnbroker must actually retain possession of the
 106 motor vehicle; ~~and~~

107 ~~(iii)~~(C) A repossession fee of \$50.00 within 50 miles of the office where the pawn
 108 originated, \$100.00 within 51 to 100 miles, \$150.00 within 101 to 300 miles, ~~and a fee~~
 109 ~~of~~ \$250.00 beyond 300 miles, but only if an actual repossession pursuant to a default
 110 takes place on a vehicle which was not already in the pawnbroker's possession; and
 111 (D) Reasonable out-of-pocket costs incurred by the pawnbroker in preparing for the
 112 sale of and selling the motor vehicle consistent with Article 9 of Title 11, not to exceed
 113 \$250.00.

114 ~~(D)~~(4) If a pledgor or seller requests that the pawnbroker mail or ship the pledged item
 115 to the pledgor or seller, a pawnbroker may charge a fee for the actual shipping and
 116 mailing costs, plus a handling fee equal to not more than 50 percent of the actual shipping
 117 and mailing costs.

118 ~~(E)~~(5) In the event the pledgor or seller has lost or destroyed the original pawn ticket, a
 119 pawnbroker may, at the time of redemption or repurchase, charge a fee equal to not more
 120 than \$2.00.

121 ~~(5)~~(e) No other charge or fee of any kind by whatever name denominated, including, but
 122 not limited to, any other storage fee for a motor vehicle, shall be made by a pawnbroker
 123 except as set out in ~~paragraph (4) of this subsection~~ subsection (d) of this Code section.

124 ~~(6)~~(f) No fee or charge provided for in this Code section may be imposed unless a
 125 disclosure regarding that fee or charge has been properly made as provided for in Code
 126 Section 44-12-138.

127 ~~(7)~~(A)(g)(1) Any interest, fees, or charges collected which are undisclosed, improperly
 128 disclosed, or in excess of that allowed by this ~~subsection~~ Code section may be recovered
 129 by the pledgor or seller in an action at law in any superior court of appropriate
 130 jurisdiction.

131 ~~(B)~~(2) In any such action in which the pledgor or seller prevails, the court shall also
 132 award reasonable attorneys' fees, court costs, and any expenses of litigation to the pledgor
 133 or seller.

134 ~~(C)~~(3) Before filing an action under this Code section, the pledgor or seller shall provide
 135 the pawnbroker with a written notice by certified mail or statutory overnight delivery,
 136 return receipt requested, that such an action is contemplated, ~~identifying.~~ Such notice

137 shall identify any fees or charges which the pledgor or seller contends are undisclosed,
 138 improperly disclosed, or in excess of the fees and charges allowed by this Code section.
 139 If the court finds that during the 30 days following receipt of this notice the pawnbroker
 140 made a good faith offer to return any excess, undisclosed, or improperly disclosed
 141 charges, the court shall award reasonable attorneys' fees, court costs, and expenses of
 142 litigation to the pawnbroker.

143 ~~(D)~~(4) No action shall be brought under this Code section more than two years after the
 144 pledgor or seller knew or should have known of the excess, undisclosed, or improperly
 145 disclosed charges.

146 ~~(b)~~(h) Any interest, charge, or fees contracted for or received, directly or indirectly, in
 147 excess of the amounts permitted under ~~subsection (a)~~ of this Code section shall be
 148 uncollectable and the pawn transaction shall be void. ~~All~~ For any pawn transaction other
 149 than a fixed term pawn transaction, all interest and the ~~pawnshop charge~~ charges allowed
 150 under ~~subsection (a)~~ of this Code section shall be deemed earned, due, and owing as of the
 151 date of the pawn transaction and a like sum shall be deemed earned, due, and owing on the
 152 same day of the succeeding month."

153 SECTION 3.

154 Said part is further amended in Code Section 44-12-137, relating to prohibited acts, penalties,
 155 presumption as to pledgor, and replacement of lost or damaged goods, by revising
 156 subsection (a) as follows:

157 "(a) Any pawnbroker and any clerk, agent, or employee of such pawnbroker who shall:
 158 (1) Fail to make an entry of any material matter in his or her permanent record book;
 159 (2) Make any false entry therein;
 160 (3) Falsify, obliterate, destroy, or remove from his or her place of business such
 161 permanent record book;
 162 (4) Refuse to allow any duly authorized law enforcement officer who is certified by the
 163 Georgia Peace Officer Standards and Training Council or who is a federal officer to
 164 inspect ~~his~~ the permanent record book or any goods in his or her possession during the
 165 ordinary hours of business or at any reasonable time;
 166 (5) Fail to maintain a record of each pawn transaction or fixed term pawn transaction for
 167 at least four years;
 168 (6) Accept a pledge or purchase property from a person under the age of 18 years or who
 169 the pawnbroker knows is not the true owner of such property;
 170 (7) Make any agreement requiring the personal liability of a pledgor or seller or waiving
 171 any of the provisions of this part or providing for a maturity date less than one month
 172 after the date of ~~the~~ a pawn transaction; or

173 (8) Fail to return or replace pledged goods to a pledgor or seller upon payment of the full
 174 amount due the pawnbroker unless the pledged goods have been taken into custody by
 175 a court or a law enforcement officer or agency, shall be guilty of a misdemeanor."

176 **SECTION 4.**

177 Said part is further amended by revising Code Section 44-12-138, relating to restrictions on
 178 advertising and disclosure tickets or statements, as follows:

179 "44-12-138.

180 (a)(1) Any pawnbroker as defined in paragraph (2) of Code Section 44-12-130 shall
 181 include most prominently in any and all types of advertisements the word 'pawn' or the
 182 words 'pawn transaction' or 'fixed term pawn transaction.' A pawnbroker shall not use
 183 the term 'loan' in any advertisements or in connection with any advertising of the business
 184 of the pawnbroker; provided, however, that the provisions of this sentence shall not apply
 185 to a pawnbroker in business on March 1, 1992, which uses the term 'loan' in connection
 186 with the name of the business or with advertising of the business.

187 (2) On any sign advertising a pawnbroker's business, the words on such sign shall be in
 188 at least 24 inch high letters. On any other sign on the property where the pawnbroker's
 189 business is located which advertises any other activities or business engaged in by the
 190 person who is a pawnbroker, the words on such sign shall be in 12 inch high letters or
 191 smaller; provided, however, that the provisions of this paragraph shall not apply to signs
 192 of pawnbrokers which signs are in existence on March 1, 1992.

193 (b) Every pawnbroker in every pawn transaction or fixed term pawn transaction shall
 194 present the pledgor or seller with a written disclosure ticket or statement in at least
 195 nine-point type, appropriately completed, with no other written or pictorial matter except
 196 as provided in subsection (c) of this Code section, containing the following information:

197 (1) Information identifying the pawnbroker by name and address;

198 (2) A statement as follows:

199 "This is a pawn ~~transaction~~. Failure to make your payments as described in this
 200 document can result in the loss of the pawned item. The pawnbroker can sell or keep
 201 the item if you have not made all payments by the specified maturity date.';

202 (3) If the pawned item is a motor vehicle or motor vehicle certificate of title, a statement
 203 as follows:

204 'Failure to make your payment as described in this document can result in the loss of
 205 your motor vehicle. The pawnbroker can also charge you certain fees if he or she
 206 actually repossesses the motor vehicle.';

- 207 (4) ~~A~~ (A) For any pawn transaction other than a fixed term pawn transaction, a
 208 statement that the length of the pawn transaction is 30 days and that it can only be
 209 renewed with the agreement of both parties and only for 30 day incremental periods.
 210 (B) For any fixed term pawn transaction, a description of the term and a payment
 211 schedule for the fixed term pawn transaction that complies with the payment schedule
 212 disclosure requirements of the federal Truth in Lending Act and regulations
 213 promulgated under the federal Truth in Lending Act;
- 214 (5) ~~The~~ (A) For any pawn transaction other than a fixed term pawn transaction, the
 215 annual percentage rate, computed in accordance with the federal Truth in Lending Act
 216 and regulations promulgated under the federal Truth in Lending Act, for the first 30
 217 days of the transaction, computed as if all interest and pawnshop charges were
 218 considered to be interest.
 219 (B) For any fixed term pawn transaction, the annual percentage rate, computed in
 220 accordance with the federal Truth in Lending Act and regulations promulgated under
 221 the federal Truth in Lending Act, computed as if all contracted-for interest and charges
 222 were considered to be interest;
- 223 (6) ~~The~~ For any pawn transaction other than a fixed term pawn transaction, the annual
 224 percentage rate, computed in accordance with the federal Truth in Lending Act and
 225 regulations promulgated under the federal Truth in Lending Act, for each 30 day period
 226 in which the pawn transaction might be continued or extended, computed as if all interest
 227 and pawnshop charges were considered to be interest. For purposes of identifying the
 228 annual percentage rate after the second continuation or extension, a single statement
 229 which identifies an annual percentage rate for each possible 30 day period thereafter shall
 230 meet the requirements of this Code section;
- 231 (7) ~~A~~ For any pawn transaction other than a fixed term pawn transaction, a statement in
 232 dollar amounts of how much it will cost the ~~seller or pledgor~~ pledgor or seller to redeem
 233 or repurchase the merchandise in the first 30 day period of the transaction;
- 234 (8) ~~A~~ and a statement in dollar amounts of how much it will cost the ~~seller or pledgor~~
 235 pledgor or seller to redeem or repurchase the merchandise in any 30 day period after the
 236 first 30 day period of the pawn transaction, provided that all fees and charges have been
 237 kept current;
- 238 (8) For any fixed term pawn transaction, a statement that the pledgor or seller may
 239 redeem or repurchase the motor vehicle or motor vehicle certificate of title, at any time
 240 with no prepayment penalty, for an amount equal to the outstanding principal balance
 241 plus interest and pawnshop charges and other permitted fees accrued through and
 242 including the date of redemption or repurchase;
- 243 (9) A statement of the specific maturity date of the pawn transaction;

244 ~~A statement of how long;~~ (A) For any pawn transaction other than a fixed term
 245 pawn transaction, a statement of the length of the grace period, the period during which
 246 the pledged goods may be redeemed or repurchased after the specific maturity date, and
 247 the dollar amount which will be required to redeem or repurchase the pledged goods
 248 after the specific maturity date.

249 (B) For any fixed term pawn transaction, a statement that the pledgor or seller has a 30
 250 day grace period following the due date for a missed or incomplete payment, during
 251 which period the pledgor or seller may redeem or repurchase the motor vehicle or
 252 motor vehicle certificate of title, and a description of the pawnbroker's right to seek
 253 possession of and sell the motor vehicle security if the pledgor or seller fails to pay any
 254 amount owing under the fixed term pawn transaction in accordance with the payment
 255 schedule for such transaction;

256 (11) A statement that after the grace period expires the pledged goods become the
 257 property of the pawnbroker, unless, in the case of a fixed term pawn transaction, the
 258 pawnbroker agrees to provide additional time;

259 (12) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 260 motor vehicle certificate of title, a statement that the pawnbroker may not charge a
 261 storage fee for the motor vehicle unless the pawnbroker repossesses the motor vehicle
 262 pursuant to a default;

263 (13) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 264 motor vehicle certificate of title, a statement that the pawnbroker may charge a storage
 265 fee for a repossessed motor vehicle not to exceed \$5.00 per day, but only if the
 266 pawnbroker actually repossesses and ~~actually must store~~ stores the motor vehicle;

267 (14) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 268 motor vehicle certificate of title, a statement that the pawnbroker may charge a
 269 repossession fee, not to exceed ~~\$50.00~~ \$250.00, but only if the pawnbroker actually
 270 repossesses the motor vehicle;

271 (15) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 272 motor vehicle certificate of title, a statement that the pawnbroker may charge a fee to
 273 register a lien upon the motor vehicle certificate of title, not to exceed any fee actually
 274 charged by the appropriate state to register a lien upon a motor vehicle certificate of title,
 275 but only if the pawnbroker actually places such a lien upon the motor vehicle certificate
 276 of title;

277 (16) A statement that any costs to ship the pledged items to the pledgor or seller can be
 278 charged to the pledgor or seller, along with a handling fee to equal ~~no~~ not more than 50
 279 percent of the actual costs to ship the pledged items; ~~and~~

280 (17) A statement that a fee of up to \$2.00 can be charged for each lost or destroyed pawn
281 ticket; and

282 (18) A statement, in at least 14 point boldface type, that the Governor's Office of
283 Consumer Protection through the consumer protection unit of the office of the Attorney
284 General is the appropriate entity to contact should the consumer have a complaint. Such
285 statement shall include the current telephone number and website address for such entity.

286 (c) In addition to the information required by subsection (b) of this Code section, the
287 pawnbroker may, but is not required to, include the following information on the same
288 disclosure ticket or statement, provided that such information is not used to obscure or
289 obfuscate the information required by subsection (b) of this Code section:

290 (1) Information identifying the pledgor or seller;

291 (2) Any logo which the pawnbroker may desire to use;

292 (3) Any numbers or characters necessary for the pawnbroker to identify the merchandise
293 or goods associated with the pawn transaction;

294 (4) Any other information required to be disclosed to consumers by any other law, rule,
295 or regulation of the United States or of the State of Georgia;

296 (5) Information identifying or describing the pledged item;

297 (6) Information which is only for the internal business use of the pawnbroker;

298 (7) The hours of operation of the pawnbroker;

299 (8) The time of day of the pawn transaction; and

300 (9) Any agreement between the pledgor or seller and the pawnbroker which does not
301 controvert the provisions of this part, of Part 5 of Article 8 of Chapter 14 of this title, or
302 of Part 2 of Article 15 of Chapter 1 of Title 10.

303 (d) The pawnbroker shall have the pledgor or seller sign the disclosure statement and shall
304 furnish a completed copy to the pledgor or seller. The pawnbroker shall maintain a
305 completed and signed copy of the disclosure statement on file for two years subsequent to
306 the maturity date of the pawn transaction or fixed term pawn transaction. Failure to
307 maintain such a copy shall be conclusive proof that the pawnbroker did not furnish such
308 a statement to the pledgor or seller.

309 (e) Notwithstanding anything to the contrary contained elsewhere in this Code section, no
310 municipality or local government may impose any requirements upon a pawnbroker
311 regarding the disclosures which must be made to a pledgor or seller or which must be made
312 in the pawn ticket, other than those requirements contained in this Code section."

313 **SECTION 5.**

314 Part 5 of Article 8 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,
315 relating to liens by pawnbrokers, factors, bailees, acceptors, and depositories, is amended by

316 revising Code Section 44-14-403, relating to pawnbroker liens, action for interference, grace
 317 period on pawn transactions, extension or continuation of maturity date, and redemption, as
 318 follows:

319 "44-14-403.

320 (a) For purposes of this Code section, the term 'fixed term pawn transaction' shall have the
 321 same meaning as provided for in Code Section 44-12-130.

322 (b) A pawnbroker shall have a lien on the pledged goods pawned for the money ~~advanced~~
 323 ~~owed~~, interest, and pawnshop ~~charge~~ charges owed but not for other debts due to ~~him~~ such
 324 pawnbroker. ~~He~~ A pawnbroker may retain possession of the pledged goods until ~~his~~ the
 325 lien is satisfied and may have a right of action against anyone interfering therewith.

326 (b)(1)(c)(1)(A) There shall be a grace period on all pawn transactions and fixed pawn
 327 transactions. On pawn transactions and fixed pawn transactions involving motor
 328 vehicles or motor vehicle certificates of title, the grace period shall be 30 calendar days;
 329 on all other pawn transactions, the grace period shall be ten calendar days.

330 (B) For any pawn transaction other than a fixed term pawn transaction, where the
 331 pledgor or seller fails to redeem or repurchase the property by the maturity date, the
 332 grace period shall begin on the first day following the maturity date of the pawn
 333 transaction or on the first day following the expiration of any extension or continuation
 334 of the pawn transaction, whichever occurs later.

335 (C) For any fixed term pawn transaction, the grace period shall begin on the first day
 336 following the due date for a missed or incomplete payment.

337 (D) In the event that the last day of the grace period falls on a day in which the
 338 pawnbroker is not open for business, the grace period shall be extended through the first
 339 day following upon which the pawnbroker is open for business. The pawnbroker shall
 340 not sell the pledged goods during the grace period.

341 (2)(A) ~~By~~ For any pawn transaction other than a fixed term pawn transaction, by a
 342 written agreement of the parties, the maturity date of the pawn transaction may be
 343 extended or continued for 30 day periods, provided that the interest rates and charges
 344 as specified in Code Section 44-12-131 are not exceeded. ~~The grace period shall begin~~
 345 ~~running on the first day following the maturity date of the pawn transaction or on the~~
 346 ~~first day following the expiration of any extension or continuation of the pawn~~
 347 ~~transaction, whichever occurs later. All extensions or continuations of the pawn~~
 348 ~~transaction shall be evidenced in writing.~~

349 (B) For any fixed term pawn transaction, parties may renew the transaction beyond the
 350 original contracted maturity date, provided that:

- 351 (i) Such renewal transaction shall be evidenced by a new written agreement between
 352 the parties and shall be treated as a new fixed term pawn transaction, subject to all
 353 requirements of this part applicable to new fixed term pawn transactions;
- 354 (ii) For a renewal transaction where the pledgor or seller receives an additional
 355 principal amount, the pawnbroker may charge interest and pawnshop charges on the
 356 additional principal amount only, not to exceed the rate of interest and amount of
 357 charges permitted under Code Section 44-12-131, and shall not charge interest and
 358 pawnshop charges on the original principal amount that is more than 12.5 percent per
 359 month or a lower applicable rate of interest and amount of charges applicable at the
 360 time of renewal; or
- 361 (iii) For a renewal transaction where the pledgor or seller receives no additional
 362 principal amount, the pawnbroker may charge interest and pawnshop charges not to
 363 exceed the lesser of:
- 364 (I) Twelve-and-one-half percent per month or 30 day period of the applicable
 365 amount owed; or
- 366 (II) The rate of interest and amount of charges applicable at the time of renewal of
 367 the fixed term pawn transaction.
- 368 (3) ~~Pledged~~ For any pawn transaction other than a fixed term pawn transaction, pledged
 369 goods may be redeemed or repurchased by the pledgor or seller within the grace period
 370 by the payment of any unpaid accrued fees and charges, the repayment of ~~the~~ all
 371 outstanding principal, and the payment of an additional interest charge not to exceed 12.5
 372 percent of the principal outstanding at the start of the applicable grace period. For any
 373 fixed term pawn transaction, goods may be redeemed or repurchased by the pledgor or
 374 seller within the grace period by paying an amount equal to the outstanding principal
 375 balance plus interest and pawnshop charges and other permitted fees accrued through and
 376 including the date of redemption or repurchase.
- 377 (4) ~~Pledged~~ Unless the pawnbroker agrees to provide additional time, goods not
 378 redeemed or repurchased within the grace period shall be automatically forfeited to the
 379 pawnbroker by operation of this Code section, and any ownership interest of the pledgor
 380 or seller shall automatically be extinguished as regards the pledged item.
 381 Notwithstanding the foregoing, within 45 days of the pawnbroker's receipt of funds from
 382 the sale of a pledged, unredeemed motor vehicle, the pledgor or seller shall be entitled
 383 to receive all proceeds from the sale of such motor vehicle in excess of the principal
 384 amount due to the pawnbroker, interest and pawnshop charges accrued through the date
 385 the pawnbroker took possession of the motor vehicle, and the reasonable expenses
 386 incurred by the pawnbroker in taking possession of, preparing for the sale of, and selling

387 the motor vehicle consistent with the fees and charges permitted under Code Section
 388 44-12-131.

389 ~~(4)~~(5) Any attempt to circumvent the interest rates and charges as specified in Code
 390 Section 44-12-131 shall be null and void.

391 (6) ~~★~~ For any pawn transaction other than a fixed term pawn transaction, such
 392 transactions shall be considered to have been extended or continued under
 393 subparagraph (A) of paragraph (2) of this subsection unless:

394 (A) All charges, fees, and the principal have actually been paid or repaid on the
 395 previous pawn transaction;

396 (B) The pledged goods in the previous transaction, including, but not limited to, a
 397 motor vehicle certificate of title, have actually been restored to the possession of the
 398 pledgor or seller; and

399 (C) The pledged goods in the previous transaction have been removed from the
 400 business premises of the pawnbroker and, in the case of a motor vehicle certificate of
 401 title, any lien on the motor vehicle certificate of title has been removed or released.

402 (7) Fixed term pawn transactions shall not be considered to be renewed except as
 403 expressly provided in subparagraph (B) of paragraph (2) of this subsection.

404 (d) For any fixed term pawn transaction, where the pledgor or seller fails to pay any
 405 amount in full when it is due, a pawnbroker may repossess the motor vehicle and exercise
 406 his or her rights under Code Section 44-12-131. The pledgor or seller may redeem or
 407 repurchase a motor vehicle or motor vehicle certificate of title at any time prior to the
 408 expiration of the grace period described in subsection (c) of this Code section, and the
 409 pawnbroker shall not dispose of the repossessed motor vehicle until after such grace period
 410 has expired. The pawnbroker shall also allow the pledgor or seller to bring the delinquent
 411 account current prior to or after the expiration of the grace period by paying all accrued
 412 pawnshop charges and fees and all unpaid past due amounts of interest and principal. The
 413 pledgor or seller may pay all moneys owed and past due to a pawnbroker during the grace
 414 period and, upon payment of such amount, the motor vehicle shall not be forfeited as
 415 provided for by paragraph (4) of subsection (c) of this Code section and the fixed term
 416 pawn transaction shall continue in accordance with the terms of the contract."

417 **SECTION 6.**

418 All laws and parts of laws in conflict with this Act are repealed.