

Official Compilation
CODES, RULES AND REGULATIONS
of the State of New York

Title 2, Chapter 1, Part 15

Collateral Loan Brokers

Section*

- 15.1 Books and records to be maintained by collateral loan brokers
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(Statutory authority: Pursuant to the power and authority imposed upon the State Comptroller in Article 5 of the General Business Law and the Abandoned Property Law enacted by Chapters 981 and 982 of the Laws of 1960, the following rules and regulations are hereby promulgated for the keeping of books, records, entries and reports the he deems necessary to determine the amount of surplus payable as abandoned property in relation to collateral loan brokers and unclaimed surplus for the sale of pledges. **)

SECTION 15.1 – Each and every collateral loan broker is required to keep and maintain the following books, records and reports:

- (a) Pledgor's registration card
- (b) Pledge ticket
- (c) Pledge book
- (d) Redemption book
- (e) Auction sales books
- (f) Report of auction sale to licensing body
- (g) Surplus book
- (h) Notice to pledgor – six months after date of pledge
- (i) Pledgor's request that his pledge be held for one year (New York City only)
- (j) Notice to pledgor one year after date of pledge
- (k) Notice to pledgor of existing surplus from auction sale
- (l) Receipt from pledgor for surplus
- (m) Abandoned property surplus reports to State Comptroller
- (n) Collateral loan broker's registration statement
- (o) Collateral loan broker's supplemental registration statement

* All section numbers and headings confirm with Official Rules and Regulations.

** See: General Business Law, Section 55; Abandoned Property Law, Section 1414.

SECTION 15.2 – Each and every collateral loan broker is required to keep and maintain the books, records and reports as listed below. Each book, record and report is to contain the information as hereafter indicated.

PLEDGE BOOK

Date of Pledge
Pledge Number
Disposition Column Date (Redeemed) R (Renewed) A or AS (Auction or Sale)
Article Pledged
Amount of Loan
Pledgor's Name and address

REDEMPTION BOOK

Redemption Date
Pledge Number
Date of Pledge
Amount of Loan
Interest Charges
Extra Care Charges

All money columns should be footed.
Obtain affidavit from pledgor for lost pledge ticket.

AUCTION SALES BOOK

Auction Sale Date
Pledge Number
Description of Article
Auction Sale Lot Number
Amount of Loan
Selling Price to Outsiders
Selling Price to Collateral Loan Brokers (purchase backs)

Note: All stock merchandise submitted for auction sale should be distinctly marked as such.

SURPLUS BOOK

Auction Sale Date
Auction Lot Nummer
Pledge Number
Description of Article
Name and Address of Pledgor
Amount of Loan
Interest Charges
Extra Care Charges
Auctioneer's Commission
Total (loan, interest and charges)
Auction Selling Price
Surplus
 (a) To pledgor
 (b) To State Comptroller
 (c) Date paid

All money columns should be footed.
Obtain signed receipt from pledgor for surplus.

It is recommended that where surplus refunds are made to pledgors by mail, the original pledge ticket together with a signed receipt for the surplus be stapled together and retained for auditing purposes.

SECTION 15.3 – Each and every collateral loan broker is required by law to file a verified report of auction sale with the local governing body issuing collateral loan brokers licenses within 30 days after such sale. This report must include the following information:

- (a) Name and address of collateral loan broker
- (b) Date and place where sale was held
- (c) Name and address of auctioneer
- (d) Schedule of each defaulted pledge offered for sale, together with:
 - (1) Pledge number
 - (2) Auction lot number
 - (3) Amount received for each pledge
 - (4) A statement that each of the pledges so listed were delivered for sale at such auction
- (e) Collateral loan broker's "Purchase Backs"
 - (1) A statement setting forth which pledges were purchased back by the collateral loan broker
- (f) Affidavit of publication made by the newspaper in which notice of each such sale was published

SECTION 15.4 – Each and every collateral loan broker is required to mail the following notice of election of intended sale. In the City of New York, the notice of election by a pledgor that a pledge be retained for one year shall be in the following form:

NOTICE TO PLEDGOR – SIX MONTHS AFTER DATE OF PLEDGE

Collateral Loan Broker's Name
Address
Telephone Number

Date _____

Pledgor's Name
Address

You are hereby notified that six (6) months have expired since the date of your loan (number _____) for \$ _____.

Unless you sign and return the attached request informing us of your desire to have the pledge retained for the period of one (1) year from its original date and remit with this request payment of all interest due for the first six (6) months of the loan, this pledge will be sold at public auction after _____ (date).

You are required by law to obtain a post office receipt when you return the attached form.

Collateral Loan Broker's Name



PLEDGOR'S REQUEST THAT HIS PLEDGE BE HELD FOR ONE YEAR
(New York City Only)

Date _____
Pledge No. _____

To: Collateral Loan Broker's Name
Address

You are hereby requested to hold my pledge for the period of one (1) year from the Date of Pledge. Enclosed is a certified check or money order in the amount of \$_____ in payment of all interest due for the first six months of the loan.

Pledgor's Name
Address

****COLLATERAL LOAN BROKER AND PLEDGOR:** You are requested, by law, to obtain a post office receipt when mailing this notice.

SECTION 15.5 – The following notice to pledgor of existing surplus from auction sale is hereby prescribed:

Date _____

Collateral Loan Broker's Name
Address
Phone Number

The sale of our pledge number _____ held on _____ resulted in a surplus of _____ . This is payable at our office upon surrender to us of our original pawn ticket.

Pledgor's Name _____
Address _____

Very truly yours,
Collateral Loan Broker

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**SECTION 15.6** – The following receipt from pledgor for surplus is hereby prescribed:

Date \_\_\_\_\_

Received from: Collateral Loan Broker's Name  
Address

\$\_\_\_\_\_ surplus resulting from sale of Pledge No. \_\_\_\_\_ at auction on \_\_\_\_\_.

Pledgor's Name \_\_\_\_\_  
Address \_\_\_\_\_

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SECTION 15.7 – Each and every collateral loan broker is required to file with the State Comptroller the following registration and supplemental registration statement. For filing each collateral loan broker's registration statement, a fee of \$5.00; and for filing each supplemental registration statement, a fee of \$2.50. Such fees are payable at the time of filing and no filing shall be deemed effective within the meaning of this section until such fees have been paid.

SECTION 15.8 – Lawful extra care charges shall mean those charges allowed by the mayor of a city or local licensing authority, which may be by rule or regulation promulgated for extra care services rendered by a collateral loan broker. It is the duty of the collateral loan broker to perform those services and to take such care of pledged articles as is normally required of a pledged article of personal property. Where, however, the collateral loan broker actually gives or renders extra care and assumes a risk beyond those normally rendered and assumed by a collateral loan broker and a charge is made for such extra care, the collateral loan broker shall specifically call the pledgor's attention to the said charge at the time the loan is made. No such charge or fee shall be allowed unless the pledgor shall sign an agreement to pay such extra charge and the fee for such extra charge, as agreed upon, shall be inserted on the face of the pawn ticket.

The above-mentioned charges are intended to apply to those extra care services actually performed and rendered by a collateral loan broker in addition to the normal care required to be given by him, and shall not be used as a substitute for or as a means of exacting additional charges from the pledgor in excess of the maximum interest rates provided for in Section 46 of the General Business Law.