

**STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER**

RULES AND REGULATIONS

Collateral Loan Brokers

Rules and Regulations of the State Comptroller on the keeping of books, records, entries and reports that he deems necessary to determine the amount of surplus payable as abandoned property in relation to collateral loan brokers and unclaimed surplus from the sale of pledges. (Reference: General Business Law, Section 55; Abandoned Property Law, Section 1414)

PREFACE

Article 5 of the General Business Law (Sections 40 through 55) governs the operation of the business of a collateral loan broker. The Rules and Regulations of the State Comptroller promulgated pursuant to Section 55 of the General Business Law are set forth on pages 3 through 15 of this pamphlet.

No one may engage in the business of a collateral loan broker without having obtained a license to do so from the local licensing authority and without being registered with the State Comptroller. (Reference: General Business Law, Sections 40 and 53.)

The local licensing authority may issue to citizens, who such authority deems proper and who shall produce satisfactory evidence of good character, a license to carry on the business of a collateral loan broker. (Reference: General Business Law, Section 41.)

The fee for a license for use in a city having a population of more than one million persons is five hundred dollars (\$500.00) yearly. Where the business is to be conducted elsewhere, the license fee may not exceed two hundred fifty dollars (\$250.00) yearly. (Reference: General Business Law, Section 41.)

All licenses expire one (1) year from the date of issuance and are renewable on application to the local licensing authority upon payment of the required fee and upon performance of the other conditions set forth in Section 41 of the General Business Law. (Reference: General Business Law, Section 41.)

Every licensee must file with the local licensing authority for approval. At the time of receiving the license, a bond conditioned for the faithful performance of the duties and obligations pertaining to the business of a collateral loan broker executed by the licensee and two responsible sureties in the penal sum of ten thousand dollars (\$10,000.00) must be obtained. (Reference: General Business Law, Section 41.)

Registration may be made by filing with the State Comptroller the "Collateral Loan Broker's Registration Statement". The filing fee is five dollars (\$5.00). (Reference: General Business Law, Section 53.) The form used for filing may be obtained from the State Comptroller.

Whenever there is a change in the personnel of the partners, principals or officers or in the location of the principal place of business, a "Collateral Loan Broker's Supplemental Registration Statement" must be filed with the State Comptroller. The filing fee is two dollars and fifty cents (\$2.50). (Reference: General Business Law, Section 53.) The form used for filing may be obtained from the State Comptroller.

Your attention is directed to Sections 41, 51 and 54 of the General Business Law, which provides for penalties and fines for violations of the provisions of Article 5 of the General Business Law.

Any surplus money resulting from a sale by a collateral loan broker after deducting the amount loaned or advanced, interest due thereon and any other lawful charges, which has remained unclaimed by the entitled person for one year from the date of sale is deemed abandoned property and must be reported and paid to the State Comptroller during the first ten days of the succeeding month of July. (Reference: General Business Law, Section 50; Abandoned Property Law, Section 1301.) Forms and instructions for reporting abandoned property may be obtained from the Office of the State Comptroller.