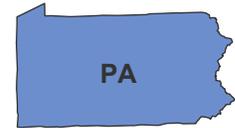




Description



PENNSYLVANIA PAWNBROKER LICENSE

Who is required to have this license?

A pawnbroker license is required by any person or entity who (1) engages in the business of lending money on the deposit or pledge of personal property, other than choses in action, securities, or written evidences of indebtedness; or (2) purchases personal property with an expressed or implied agreement or understanding to sell it back at subsequent time a stipulated price; or (3) lends money upon goods, wares or merchandise pledged, stored or deposited as collateral security.

Section 2 of the Pawnbrokers License Act defines "pawnbroker," "pledge" and other important terms.

For help with the NMLS application, see the [Quick Guide for submitting a complete Company Form through NMLS](#).

Pre-requisites for license applications?

- **Capital Requirement:** The minimum start-up capital required for a pawnbroker license is \$10,000 per licensed pawnbroker office. In the event of multiple licensed offices held by the same licensee, the maximum total capital requirement for all offices is \$100,000. The minimum capital required for licensing shall be maintained as permanent capital at all times.
- **Posting and Publishing of Notice:** Every applicant for a new license shall post a Notice of Initial Application and Hearing (the "Notice") for a period of at least thirty (30) days beginning with the date designated by the Department of Banking and Securities, in a conspicuous place on the outside of the premises or at the proposed new location for which the licensee applies.
- **Public Hearing:** The notice requirement is discussed in Section 4 of the Pawnbrokers License Act.
 - The Department will contact the applicant to establish an acceptable hearing date, time and location. Following finalization of these matters, a Notice of Initial Application and Hearing form must be posted in the aforementioned manner. An attorney's affidavit must be filed with the Department as proof that the Notice was properly posted.
 - The Notice of Initial Application and Hearing must be advertised, once at least ten (10) days prior to the hearing date, in a newspaper of general circulation in the municipality where the license is to be issued. Proof of publication and publication date must be sent to the Department as evidence that the Notice was properly advertised.
 - The public hearing is a fact-gathering mechanism to assist the Department of Banking and Securities (the "Department") in its review of the Initial Applicant's pawnbroker license application. The purpose of the public hearing is to provide an opportunity for interested Residents (who reside within 500 feet of the proposed pawnbroker business) to testify regarding matters relevant to the Secretary of Banking and Securities' consideration of whether to approve the Initial Applicant's application for a license at the proposed location.

- The following list outlines the application and hearing process:
 1. Applicant provides an Initial Application for a new license location to the Department of Banking and Securities.
 2. The Department's Non-Depository Licensing Division reviews the Initial Application to determine whether the application form is complete. If incomplete, the Department contacts the Initial Applicant and requests necessary information.
 - a. (Note: The official filing date is determined by the Department after the Initial Application form is determined by the Department to be complete.)
 3. The Initial Applicant arranges for a Stenographer to attend and transcribe a Hearing on the Initial Application. The Hearing date shall not be scheduled by the Department until the Initial Applicant provides to the Department the identity, business address, business telephone number, and availability of a Stenographer to transcribe the Hearing
 4. The Notice of Initial Application and Hearing is to be posted by Initial Applicant and advertised in a newspaper of general circulation, both as specified below. The Notice must contain the official filing date and scheduled date, time, and location of the Hearing.
 - a. The Hearing is to be held at the proposed location, or, if such location is not available for valid reasons, then at such other location deemed reasonable by the Department. The Pawnbroker Hearing Officer at the Hearing is a person designated by the Secretary of Banking and Securities to conduct the Hearing.
 5. The Initial Applicant posts the Notice of Initial Application and Hearing in a conspicuous place for public view at the proposed pawnbroker location. The posting of the Notice is required to occur not later than the official filing date stated on the Notice. The Notice is required to remain posted continually at the proposed pawnbroker location for at least thirty (30) days.
 6. At least ten (10) days prior to the Hearing date, the Initial Applicant causes the same Notice of Initial Application and Hearing to be advertised for one (1) day in a newspaper of general circulation in the municipality of the proposed pawnbroker location.
 7. At the end of thirty (30) days continuous posting of the Notice, the Initial Applicant is required to provide to the Department a signed original Affidavit in the form illustrated on page 28. The Affidavit shall certify to the Department that the Notice of Initial Application and Hearing was properly posted by the Initial Applicant for the required thirty (30) day period. Failure to submit the Affidavit prior to the Hearing date shall cause the Hearing to be postponed indefinitely.
 8. As soon as possible after being advertised in a newspaper of general circulation, the Initial Applicant submits to the Department the original proof of publication from said newspaper. Prior to the hearing date, if the proof of publication is not yet issued by the newspaper, the Initial Applicant must demonstrate to the Department that the Notice was advertised in such a newspaper.

9. ALL COSTS RELATED TO THE HEARING SHALL BE PAID BY THE INITIAL APPLICANT, including but not limited to newspaper advertising, proof of publication, and all stenographer services and transcript printing costs. Two copies of the hearing transcript shall be provided to the Department.
 10. The Hearing is held. All Residents residing within 500 feet of the proposed pawnbroker location ("Residents") may testify at the Hearing, except that the Pawnbroker Hearing Officer at the Hearing may limit the number of witnesses to facilitate completion of the Hearing within a reasonable time and to avoid duplicative testimony, in the sole reasonable discretion of the Pawnbroker Hearing Officer. The Pawnbroker hearing Officer may permit persons other than Residents to testify at the Hearing, in the sole reasonable discretion of the Pawnbroker Hearing Officer.
 11. The Pawnbroker Hearing Officer considers all testimony and written statements received up to the date of the hearing regarding the Initial Applicant's license application.
 12. The Pawnbroker Hearing Officer submits to the Secretary of Banking and Securities or his designee a transcript and, if required, a Report regarding the Hearing.
 13. The Secretary of Banking and Securities or his designee considers whether to approve or deny the application.
 14. The Secretary of Banking and Securities or his designee approves or rejects the application.
- Bond amount: The bonding requirement is discussed in Section 5 of the Pawnbrokers License Act.
 - A bond in the sum of \$2,000 must accompany each application. This bond must be furnished by a surety company legally authorized to transact business in Pennsylvania.
 - Criminal background check for company owners, officers, and individuals in a position of control.
 - Credit check for company owners, officers and individuals in a position of control.
 - Tax Certification for company owners, officers, and individuals in a position of control: Licensees are required to provide a certified memorandum indicating all tax obligations to the Commonwealth of Pennsylvania have been paid or that a deferred payment plan with the Pennsylvania Department of Revenue has been made.
 - Policies and Procedures: Provide a summary of the policies and procedures that have been developed to receive and process consumer inquires and grievances promptly and fairly.
 - Annual License Fees; Renewal: *Notice of Renewal Application for a Pawnbroker License* shall be published at least once and at least thirty (30) days before renewal in a newspaper of general circulation in the municipality where the license is to be renewed. Proof of publication of the notice must accompany the renewal application.

Sections 5.1 and 6 of the Pawnbrokers License Act and regulations in Title 10, Pennsylvania Code, Section 61.2, discuss renewal publication requirements, new and renewal fees. All current fees are set by the Department of Banking and Securities in Section 603-A(3) of the Act of April 9, 1929 (P.L. 177, No. 175), known as The Administrative Code of 1929, as amended 1990, July 1, P.L. 277, No. 67, 3, codified as 71 P.S. §240.3A(3).

WHO TO CONTACT – Contact the Pennsylvania Department of Banking and Securities, Non-Depository licensing staff by phone at (717)787-3717 or send your questions via e-mail to ra-asklicensing@pa.gov for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.