



SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS
**PAWNBROKER AMENDMENTS:
FREQUENTLY ASKED QUESTIONS**

Amendments to the South Carolina Pawnbroker Statute, found in S.C. Code Ann. § 40-39-10, et seq., became effective June 9, 2016. Changes include an increase in the bond amount, new insurance requirements, criminal background check requirements and a law enforcement hold process. Please find below frequently asked questions about the new amendments. If you have any questions, please contact Barbara Faircloth at (803)734-4249 or Christine Thompson at (803)734-4187.

- **Will a Letter of Credit or Certificate of Deposit still be accepted as evidence of financial responsibility?**
No. The amendments require a pawnbroker to obtain a surety bond. No other evidence will be accepted.
- **What is the new required bond amount?**
Each pawnbroker is required to obtain a \$15,000 surety bond in favor of the S.C. Department of Consumer Affairs (“Department”).
- **Is a pawnbroker required to have insurance?**
Yes. Each pawnbroker is required to provide proof of adequate insurance coverage for all pledged goods in the event of loss by fire, theft, burglary, or liability to pledger.
- **What is the highest pawn loan amount a pawnbroker can make?**
A pawnbroker may make a loan up to \$15,000.
- **Do the employees of a pawnshop have to have a criminal background check?**
Yes. A pawnbroker must conduct, or permit the Department to conduct, criminal history background checks for all owners, partners, members, officers, directors, and employees. A pawnbroker is also required to obtain the criminal background check before hiring a new employee.
- **I previously submitted fingerprints to the Department. Do I still have to submit fingerprints or get a background check now?**
Yes. Previously fingerprints were used for local background checks only. The new law requires a national criminal background check.
- **Does the law require a pawnbroker to post any new information at the pawnshop?**
Yes. A pawnbroker must post the pawnshop’s hours of operation at each location.
- **Do I have to verify the identity of someone wanting to pledge or sell property?**
Yes. Before a pledge or purchase, you must review the pledgor or seller’s state-issued or federally issued photo ID.

- **Does the law say what information must be included on the pawn ticket?**

Yes. A pawn ticket or buy ticket must include the pledgor or seller's signature and the following information:

- a) the name and address of the pledgor or seller;
- b) the date of birth of the pledgor or seller;
- c) the driver's license number or other state or federal government-issued photographic identification number of the pledgor or seller;
- d) the transaction date;
- e) the transaction maturity date;
- f) the amount financed or purchase price;
- g) the finance charge;
- h) the total of payments;
- i) the annual percentage rate;
- j) a statement of the pledgor or seller that the pledgor or seller is the lawful owner of the pledged or sold property;
- k) the name and business address of the pawnbroker; and
- l) a complete and accurate description of the pledged or purchased goods including any applicable:
 - (i) brand name;
 - (ii) model number;
 - (iii) manufacturer's serial number, if issued by the manufacturer and not intentionally defaced, altered or removed;
 - (iv) size;
 - (v) color, as apparent to the untrained eye, not applicable to diamonds;
 - (vi) precious metal type, weight, and content, if known or indicated;
 - (vii) gemstone color and shape, as apparent to the untrained eye, and number of stones;
 - (viii) type of action, caliber or gauge, number of barrels, barrel length and finish if the item is a firearm; and
 - (ix) any other unique markings, numbers, names, or letters.

- **Which events trigger the requirement to provide written notice to the Department?**

You must notify the Department when (1) an event such as a fire, theft, or judicial proceeding may affect pledged goods, (2) requesting to store pledged items at a place other than the location listed on your Certificate of Authority, or (3) an event described in the pawnbroker regulation occurs, such as the relocation of a pawnshop.

- **What should a pawnbroker do if the pawnshop closes?**

A pawnbroker must maintain usual business hours at the pawnshop for 90 days after the last pawn transaction was made at the pawnshop, or transfer pledged goods to a pawnbroker with a valid Certificate of Authority.

- **What happens if a pawnbroker does not comply with the new law?**

If a pawnbroker does not comply with the new law on or before October 17, 2016, the pawnbroker must apply with the Department as a new applicant. The Department will assess a penalty for any business activity that takes place after the deadline and require the pawnbroker to issue consumer refunds.