

# VIRGINIA ACTS OF ASSEMBLY -- 1999 SESSION

## CHAPTER 327

*An Act to amend and reenact §§ 54.1-4005, 54.1-4008, and 54.1-4012 of the Code of Virginia, relating to regulation of pawnbrokers.*

[H 2583]

Approved March 22, 1999

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 54.1-4005, 54.1-4008, and 54.1-4012 of the Code of Virginia are amended and reenacted as follows:**

§ 54.1-4005. Sale of goods pawned.

No pawnbroker shall sell any pawn or pledge item until (i) it has been in his possession for the minimum term set forth in the memorandum, but not less than thirty days, plus a grace period of fifteen days and (ii) a statement of ownership is obtained from the pawner. *If a motor vehicle is pawned, the owner of the motor vehicle shall comply with the requirements of § 46.2-637. In the event of default by the pawner, the pawnbroker must comply with the requirements of § 46.2-633. Otherwise, the pawnbroker must comply with the requirements of § 46.2-636 et seq.* All sales of items pursuant to this section may be made by the pawnbroker in the ordinary course of his business.

§ 54.1-4008. Interest chargeable.

A. No pawnbroker shall ask, demand or receive a greater rate of interest than ten percent per month on a loan of \$25 or less, or seven percent per month on a loan of more than \$25 and less than \$100, or five percent per month on a loan of \$100 or more, secured by a pledge of tangible personal property. No loan shall be divided for the purpose of increasing the percentage to be paid the pawnbroker. Loans may be renewed based on the original loan amount. Loans may not be issued that compound the interest or storage fees from previous loans on the same item.

B. *An annual percentage rate computed and disclosed under the provisions of the federal Truth-in-Lending Act shall not be deemed a violation of this section.*

§ 54.1-4012. Property pawned not to be disfigured or changed.

No property received on deposit or pledge by any pawnbroker shall be disfigured or its identity destroyed or affected in any manner (i) so long as it continues in pawn or in the possession of the pawnbroker while in pawn or (ii) in an effort to obtain a serial number or other information for identification purposes.