

**Oregon Department of Consumer and Business  
Services Division of Financial Regulation**

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## **PAWNBROKER APPLICATION INSTRUCTIONS**

All licensees are required to comply with Oregon Revised Statutes 726.010 through 726.990, and Oregon Administrative Rules 441-740-0000 through 441-740-0055. You may access these and other laws at the Division of Financial Regulation website, <http://dfr.oregon.gov>.

### **General requirements**

- Applicant must be qualified to conduct a pawnbroker business on the basis of such factors as training, experience, and knowledge of the business - ORS 726.075(5).
- The applicant cannot be insolvent - ORS 726.075(1).
- The applicant cannot have been convicted of a crime, an essential element of which is fraud - ORS 726.075(4).
- A \$25,000 surety bond or irrevocable letter of credit is required - ORS 726.070(1).

### **Pawnbroker license application**

- Complete only that section that applies to the type of business ownership.
- The business name shown must agree with the name registered with the Secretary of State Corporation Division and with the name on the surety bond, the irrevocable letter of credit, or both.
- The Pawnbroker Criminal Background and Credit Check Authorization form must be filled out completely and signed by each manager, partner, officer, or other people performing similar functions.

### **Submit the following with application**

#### **Licensee's bond or irrevocable letter of credit:**

- The Pawnbroker Surety Bond form completed by a bonding company authorized to do business in Oregon. The original bond of \$25,000, signed by the applicant and the bonding company, must be submitted with the application (see Page 6 of this application).
- or**
- A Pawnbroker Irrevocable Letter of Credit for \$25,000 issued by a financial institution authorized to do business in Oregon (see Page 7 of this application).

#### **Financial condition and feasibility study:**

- A statement of financial condition of the owner/entity (if corporation, partnership, or limited liability company).
- A copy of the feasibility study that justifies business location; include the following, as appropriate:
  - a. Dollar amount available for loans.
  - b. Estimated volume of loans in first three years.
  - c. Planned market area and competition in area.
  - d. Market area population and expected share of market.

**Experience**

- For each individual, a resume of experience and business qualifications.

**Safekeeping of pawned articles**

- A description of the security used to safeguard pledged items.
- Type and amount of insurance coverage carried to cover pledged items.

**Off-site storage (ORS 726.310(2) and OAR 441-740-0029)**

- A copy of the company's policies and procedures regarding off-site storage, which must include how the company will determine what items are appropriate for off-site storage.
- A description of the security used to safeguard pledged items at the off-site storage location.
- Type and amount of insurance coverage carried to cover pledged items at the off-site premises, if separate from the insurance for the business location.

**Sample of a pawn ticket**

- A sample pawn ticket(s) showing:
  - a. Contents described in ORS 726.300.
  - b. Loan period and forfeiture of pledges described in ORS 726.400.
  - c. Records for delivery to local police agency — ORS 726.285.
  - d. Interest rates and charges — ORS 726.390.
  - e. Compliance with federal "REG Z" disclosure requirements.
  - f. Information provided to consumer if the property is to be stored at an offsite location, if off-site storage is used.

**Application filing fee**

- \$500, nonrefundable, payable to Oregon Department of Consumer and Business Services per ORS 726.060.
- An annual fee of \$350 will be due when the application is approved, and annually thereafter per ORS 726.125(1) and (2) and OAR 441-740-0010(1).



Department of Consumer  
and Business Services



**PAWNBROKER LICENSE APPLICATION**

To the director, Department of Consumer and Business Services: As provided by ORS chapter 726, this application is accompanied by a \$25,000 bond or a letter of credit and payment of the license fee for the period ending Dec. 31, 20\_\_\_\_\_.

Name of applicant: \_\_\_\_\_

Corporation     Partnership     Limited liability co.     Sole proprietorship    Other: \_\_\_\_\_

State of organization: \_\_\_\_\_ Date of organization: \_\_\_\_\_

Name doing business under, if different (assumed business name): \_\_\_\_\_

Address at which business will be conducted:

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Mailing address, if different: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Email: \_\_\_\_\_ Web addresses: \_\_\_\_\_

Manager's name: \_\_\_\_\_

Oregon registered agent for service of process:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Secure fax payment: 503-947-2333

|   |                             |
|---|-----------------------------|
| <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover    Phone: _____ |                             |
| Cardholder signature  | Amount                      |
| Name of cardholder as shown on credit card  |                             |
| Credit card number  | \$ _____<br>Expiration date |

Fiscal use only: 12104/0600 92700/93050/1001



**Make check or money order payable to Department of Consumer & Business Services.**  
 If paying by credit card, applicant must sign credit card information box. Do not send cash.

**General statements** (to be filled in by all applicants)

Describe in detail any other business or businesses conducted or that you intend to conduct at the licensed location:

\_\_\_\_\_

Give the name and address of any holding company or managing company with which you are affiliated:

Name: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Will you use off-site storage for large pledged items?  Yes  No If yes, enter the address of the off-site storage location below and provide the answers to the items in the section titled Off-Site storage in the application instructions.

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Do you agree to operate your pawnbroker business in strict observance of the rules and regulations of ORS chapter 726?

Yes  No

*Individual signature*..... Individual: \_\_\_\_\_

*Partnership signatures*..... Partner: \_\_\_\_\_

Partner: \_\_\_\_\_

Partner: \_\_\_\_\_

Name of corporation: \_\_\_\_\_

*Corporation signatures*..... President or vice president: \_\_\_\_\_

Secretary or treasurer: \_\_\_\_\_

**Certification**

Name of licensee: \_\_\_\_\_

Officer or authorized employee name: \_\_\_\_\_

Title: \_\_\_\_\_

I certify that the foregoing responses are true, accurate, and complete to the best of my knowledge and belief. In addition, I attest the applicant has not engaged in unlicensed Pawnbroker activity in Oregon.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**PAWNBROKER**

**CRIMINAL BACKGROUND AND CREDIT CHECK AUTHORIZATION**

*Each* manager, partner, officer, director, or other people performing similar functions must complete and sign the following:

|  |        |      |                                       |        |      |
|--|--------|------|---------------------------------------|--------|------|
| Name:  |        |      | Driver license number:                |        |      |
| Home street address:   |        |      | Home mailing address, if different:   |        |      |
| City:  | State: | ZIP: | City:                                 | State: | ZIP: |
| Home phone:  |        |      | Email:                                |        |      |
| Office street address:   |        |      | Office mailing address, if different: |        |      |
| City:  | State: | ZIP: | City:                                 | State: | ZIP: |
| Office phone:  |        |      | Fax:                                  |        |      |
| Social Security number:  |        |      | Date of birth (mm/dd/yyyy):           |        |      |
| <p>For the past five years:</p> <p>Have you ever violated any provision of the following Oregon laws: Bank Act, Credit Union Act, Consumer Finance Act, Pawnbrokers Act, or related administrative rule or order?      If yes, explain:</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p> |        |      |                                       |        |      |
| <p>Have you had any criminal conviction in which the essential element of the crime involved fraud?      If yes, explain:</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p>   |        |      |                                       |        |      |
| <p>Have you been permanently or temporarily enjoined under a court order from engaging in any aspect of the pawnbroker business?      If yes, explain:</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p>  |        |      |                                       |        |      |
| <p>Have you been the subject of an administrative order by this department that included a fine or other civil penalty, or removed a manager, partner, officer, or director from your company?      If yes, explain:</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p>                    |        |      |                                       |        |      |
| <p>Have you been the subject of an administrative order by any state or federal agency or a judgment by any state or federal court?      If yes, explain:</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p>   |        |      |                                       |        |      |

I certify that the information I've provided is current and accurate as of the day it was signed and I understand that my signature authorizes a background check, including those authorized by the Fair Credit Reporting Act (15 USC 1681 et seq.).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position or title





**PAWNBROKER SURETY BOND**

Surety bond no.: \_\_\_\_\_

Under this agreement, (name, principal) \_\_\_\_\_

address: \_\_\_\_\_

as principal, and (name, surety) \_\_\_\_\_

surety address \_\_\_\_\_

a corporation duly organized and existing under the laws of the state of \_\_\_\_\_, and authorized to transact a surety business in the state of Oregon, are held and firmly bound unto the State of Oregon, for the use of the state and any person who may have a cause of action against the principal, in the full penal sum of twenty-five thousand dollars (\$25,000), for the payment of which we hereby bind ourselves, our heirs, administrators, executors, successors and assigns, jointly and severally, firmly by this agreement (ORS 726.070).

**THE CONDITION OF THIS OBLIGATION:**

The above-named principal has applied to the director of the Department of Consumer and Business Services, State of Oregon, for a license to conduct a pawnbroker's business at

address: \_\_\_\_\_, city \_\_\_\_\_, Oregon,

as provided in ORS Chapter 726 and is required to furnish a bond in the sum of \$25,000.

If the principal shall, during each license period faithfully conform to and abide by the provisions of the Pawnbrokers Act and all rules adopted by the director of the Department of Consumer and Business Services and pay to this state and to any person aggrieved by the misconduct or the violation of any law by the licensee any and all monies that may become due or owing to the state or others under the provisions of ORS Chapter 726, then such obligation shall be considered extinguished; otherwise, it shall remain in full force and effect.

The surety shall have the right to terminate any future liability by giving written notice to the principal and the Division of Financial Regulation of the Department of Consumer and Business Services. The surety shall be discharged from any future liability for any default of principal and its agents or its subagents occurring after the expiration of 30 days after the service of the notice.

**IN WITNESS WHEREOF**, the principal and the surety execute this agreement. The surety fully authorizes its representatives in the state of Oregon to enter into this obligation.

**SIGNED**, sealed, and dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Principal: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Surety: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

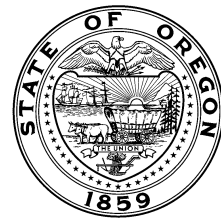
Countersigned: \_\_\_\_\_

Resident agent: \_\_\_\_\_

By: \_\_\_\_\_

(Seal)





**PAWNBROKER IRREVOCABLE LETTER OF CREDIT**

ORS 726.010 through 726.990

\_\_\_\_\_ as principal, has applied to the State of Oregon, Department of Consumer and Business Services, Division of Financial Regulation, for a registration as a pawnbroker under ORS 726.010 through 726.990 and is required by ORS 726.070 to furnish an irrevocable letter of credit in the sum of \$25,000 (total amount of credit.)

\_\_\_\_\_, an institution whose deposits are insured by the Federal Depository Insurance Act, as amended, 12 USC 1811 et seq., is authorized to transact banking business in the state of Oregon, is a corporation in the state of \_\_\_\_\_, and is obligated to pay to the State of Oregon for the use and benefit of any interested person, the sum of \$25,000.

If the principal and its agents and employees comply with the provisions of ORS 726.010 through 726.990, this obligation shall be void. If the principal or its agents or employees violate any provisions of ORS 726.010 through 726.990 and fail to pay all damages suffered by any person due to violation of ORS 726.010 through 726.990, the bank is obligated to pay any damages suffered as a result of the violations up to \$25,000.

This irrevocable letter of credit becomes effective on \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and shall remain in force until the Department of Consumer and Business Services, Division of Financial Regulation releases the bank from liability or until the bank cancels this letter. The bank may cancel this letter of credit and be relieved of further liability hereunder by giving 30 days written notice to the principal and to the Department of Consumer and Business Services, Division of Financial Regulation at 350 Winter St. NE, Room 410, Salem, OR 97301-3881.

This irrevocable letter of credit shall be one continuing obligation, and the liability of the bank for the aggregate of any and all claims that may arise shall not exceed \$25,000.

The bank and its heirs, personal representatives, successors, and assigns, and the principal and its heirs, personal representatives, successors, and assigns, by this agreement bind themselves jointly and severally to the State of Oregon.

Principal: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Bank: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_