

**Oregon Department of Consumer and Business Services
Division of Financial Regulation, Bulletin No. DFR 2020-13**

TO: All Oregon-regulated pawnbrokers

DATE: April 27, 2020

RE: COVID-19 pandemic and pawnbrokers

Purpose

This bulletin encourages all Oregon-regulated pawnbrokers to take active measures to stop the spread of COVID-19 and help borrowers economically affected by the COVID-19 outbreak. This includes implementing social distancing and addressing borrower hardships such as reduced work hours, loss of income, loss of employment, and medical issues associated with the outbreak.

Background

On March 8, 2020, Gov. Kate Brown declared a state of emergency in Oregon to address the spread of COVID-19. State and federal officials have implemented numerous public health measures to slow the spread of COVID-19 and protect people at highest risk for contracting the disease. This global pandemic and the public health measures are creating an economic hardship on people and businesses across Oregon. Some consumers have limited access to mainstream lending sources and rely upon the services of licensed pawnbrokers to bridge financial gaps. The Oregon Division of Financial Regulation, on behalf of the Department of Consumer and Business Services, is guiding state-regulated pawnbrokers on reasonable measures that should be used during the outbreak.

Guidance

At this time, licensed pawnbrokers may continue to engage in pawn activities if they can comply with the executive orders. There is a quiz at <https://govstatus.egov.com/or-covid-19> that will help licensed pawnbrokers determine if they can comply. Pawnbrokers may need to consider temporary changes to their business and take measures to help reduce the spread, such as:

- Limiting the number of people in the store to provide adequate social distancing.
- Altering how certain products are sold, or temporarily suspending sales of products that would be difficult to sell and maintain social distancing, such as jewelry.
- Following advice from the Oregon Health Authority for the workplace.

If a licensed pawnbroker cannot operate the business in compliance with the social distancing policies or has insufficient staff to operate, the licensed pawnbroker can temporarily close its business. The licensed pawnbroker will need to publicly post information about how a borrower can redeem pledged property while the business is closed. The pawnbroker will need to extend the redemption period for any pledged item until 14 days after the pawnbroker resumes regular operational hours.

The division also encourages its licensed pawnbrokers to take active measures to provide help to consumers affected by the outbreak. Pawnbrokers should be sensitive to consumers who have identified they cannot timely redeem the pledge due to illness, medically required or self-imposed quarantine due to exposure, or who are staying home due to high risk. For these people, pawnbrokers should extend redemption dates or make other reasonable accommodations.

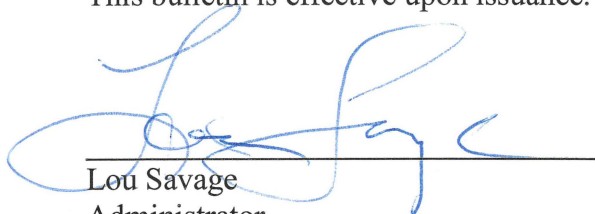
Pawnbrokers should also be sensitive to debtors who have identified they have hardships resulting from the pandemic, such as reduced income, reduced hours, or lost employment. Pawnbrokers should consider reasonable accommodations for these people, including:

- Extending redemption dates
- Reducing interest rates
- Reducing or waiving fees

This bulletin does not otherwise alter the state and federal laws that pawnbrokers must follow, including those regarding advertising loan products.

The division considers the above measures to be in the public interest. This bulletin applies to pawnbrokers required to be licensed under Oregon Revised Statutes chapter 726.

This bulletin is effective upon issuance.



Lou Savage
Administrator

Division of Financial Regulation

4/27/2020

Date