**A** **BILL**

TO AMEND SECTION 40‑39‑80, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PAWN TICKET CONTENT REQUIREMENTS, SO AS TO REQUIRE INCLUSION OF CERTAIN LANGUAGE CONCERNING EARLY REDEMPTION OF LOANS AND PRORATION OF LOAN INTEREST; AND TO AMEND SECTION 40‑39‑100, RELATING TO INTEREST AND CHARGES ON LOANS MADE BY PAWNBROKERS, SO AS TO PROVIDE PAWNBROKERS SHALL PRORATE INTEREST AND CHARGES ON A DAILY BASIS AND MAY NOT IMPOSE ADDITIONAL CHARGES IF PLEDGED GOODS ARE REDEEMED IN WHOLE OR IN PART BEFORE THE EXPIRATION OF ANY THIRTY‑DAY PERIOD OR IF THE PLEDGOR AGREES TO REPAY A LOAN IN MONTHLY PERIODIC INSTALLMENTS, AND TO PROVIDE RELATED NOTICE REQUIREMENTS IN MANDATORY POSTED RATE SCHEDULES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 40‑39‑80(B)(1) of the 1976 Code is amended to read:

“(1) The pawn ticket for a pledge or purchase transaction must satisfy the requirements of the Truth in Lending Act and Regulation Z, must identify whether the transaction is a pawn or purchase, and at a minimum must include:

(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) the words, ‘You are entitled to redeem goods pledged for a loan at any time, in whole or in part, and a pawnbroker must prorate your interest obligation and refund excess payments accordingly’;

(~~j~~k) a statement of the pledgor or seller that the pledgor or seller is the lawful owner of the pledged or sold property;

(~~k~~l) the name and business address of the pawnbroker; and

(~~l~~m) 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.”

SECTION 2. Section 40‑39‑100 of the 1976 Code is amended to read:

“Section 40‑39‑100. (A)(1) A pawnbroker may charge interest on loans not exceeding the following amounts:

(~~1~~a) at the rate of two dollars and fifty cents per thirty‑day period for each ten dollars loaned for ~~the first~~ loans up to fifty dollars ~~loaned~~;

(~~2~~b) at the rate of two dollars per thirty‑day period for each ten dollars loaned ~~on that portion of the loan exceeding fifty dollars but not exceeding~~ for loans up to one hundred dollars;

(~~3~~c) at the rate of one dollar and fifty cents per thirty‑day period for each ten dollars loaned ~~on that portion of the loan exceeding one hundred dollars but not exceeding~~ for loans up to two hundred dollars;

(~~4~~d) at the rate of one dollar per thirty‑day period for each ten dollars loaned ~~on that portion of the loan exceeding two hundred dollars but not exceeding~~ for loans up to one thousand dollars;

(~~5~~e) at the rate of fifty cents per thirty‑day period for each ten dollars loaned ~~on that portion of the loan~~ for loans exceeding one thousand dollars but not exceeding the maximum amount in subsection (C).

(2) If a pledgor redeems pledged goods, in whole or in part, before the expiration of any thirty‑day period or agrees to repay a loan in monthly periodic installments before the expiration of any thirty‑day period, a pawnbroker:

(a) shall prorate interest owed for the month and finance charges owed for the month from the first day of the month through the date of the redemption or agreement, to include the date of redemption or agreement;

(b) shall, based on the proration in subitem (a), refund any received interest or finance charges that exceed the prorated amounts owed for the period of time beginning with the first day of the month through the date of the redemption or agreement, to include the date of redemption or agreement;

(c) may not impose an additional charge or other fee, or charge interest, for the remaining portion of the thirty‑day period after redemption.

(B) No pawnbroker may separate or divide a pawn transaction into two or more transactions for the purpose or with the effect of obtaining a total pawn interest rate in excess of that authorized for an amount financed equal to the total of the amounts financed in the resulting transactions.

(C) No pawnbroker may make a loan in excess of fifteen thousand dollars. Every pawnbroker shall post the rates in a form which is prescribed by the administrator. The following statement must be included in the posted rate schedule:

‘Consumers: All pawnbrokers operating in South Carolina are required by law to post a schedule showing the maximum rate of LOAN FINANCE CHARGES stated as dollars for each ten dollars for each thirty‑day period that the pawnbroker intends to charge for various types of pawn transactions. The purpose of this requirement is to assist you in comparing the maximum rates that pawnbrokers charge, thereby furthering your understanding of the terms of pawn transactions and helping you to avoid the uninformed use of credit.

NOTE: Pawnbrokers are prohibited only from granting credit at rates higher than those specified above. A pawnbroker may be willing to grant you credit at rates that are lower than those specified, depending on the amount, terms, collateral, and your credit worthiness.

NOTE: You are entitled to redeem goods pledged for a loan at any time, in whole or in part, and a pawnbroker must prorate your interest obligation and refund excess payments accordingly. The purpose of this requirement is to enable you to repay your loan early without penalty and without paying interest on repaid loan money.’”

SECTION 3. This act takes effect upon approval by the Governor and is effective on loans made after the effective date of this act.

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