

House Bill 353

By: Representatives Harrell of the 106th, Meadows of the 5th, Ehrhart of the 36th, Williams of the 168th, and Hatchett of the 150th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 5 of Article 3 of Chapter 12 and Part 5 of Article 8 of Chapter 14 of Title 44
2 of the Official Code of Georgia Annotated, relating to pawnbrokers and liens by
3 pawnbrokers, factors, bailees, acceptors, and depositories, respectively, so as to provide for
4 fixed term pawn transactions for loans involving the pledge of a motor vehicle or a motor
5 vehicle certificate of title as security; to provide for procedures, conditions, and limitations
6 for such pawn transactions; to provide for definitions; to provide for permitted charges, term
7 length, and prepayment of such pawn transactions; to provide for grace periods; to provide
8 for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Part 5 of Article 3 of Chapter 12 of Title 44 of the Official Code of Georgia Annotated,
12 relating to pawnbrokers, is amended in Code Section 44-12-130, relating to definitions, by
13 revising paragraphs (1) and (5) as follows:

14 "(1) 'Fixed term pawn transaction' means a pawn transaction involving the pledge of a
15 motor vehicle or a motor vehicle certificate of title as security for an agreed-upon number
16 of months or 30 day periods.

17 (1.1) 'Month' means that period of time from one date in a calendar month to the
18 corresponding date in the following calendar month, but if there is no such corresponding
19 date, then the last day of such following month."

20 "(5) 'Pledged goods' means tangible personal property, including, without limitation, all
21 types of motor vehicles or any motor vehicle certificate of title, ~~which property~~ that is
22 purchased by, deposited with, or otherwise actually delivered into the possession of a
23 pawnbroker in connection with a pawn transaction. However, for purposes of this Code
24 section, possession of any motor vehicle certificate of title which has come into the
25 possession of a pawnbroker through a pawn transaction or a fixed term pawn transaction
26 made in accordance with law shall be conclusively deemed to be possession of the motor

27 vehicle, and the pawnbroker shall retain physical possession of the motor vehicle
 28 certificate of title for the entire length of the pawn transaction or fixed term pawn
 29 transaction but shall not be required in any way to retain physical possession of the motor
 30 vehicle at any time. 'Pledged goods' shall not include choses in action, securities, or
 31 printed evidences of indebtedness."

32 **SECTION 2.**

33 Said part is further amended by revising Code Section 44-12-131, relating to duration of
 34 pawn transactions; prohibition of lease-back of motor vehicles; taking possession of motor
 35 vehicles; restrictions on interest, fees, and charges; action to recover excessive or undisclosed
 36 charges; and consequences of such charges, as follows:

37 "44-12-131.

38 (a)(1) All pawn transactions other than fixed term pawn transactions shall be for 30 day
 39 periods but may be extended or continued for additional 30 day periods.

40 (2) All fixed term pawn transactions shall be for an agreed-upon number of months, not
 41 to exceed 30 months, or 30 day periods, not to exceed 900 days.

42 (b)(1) The agreed-upon scheduled payments of a fixed term pawn transaction shall be
 43 substantially equal in amount and shall be calculated in a manner that fully amortizes the
 44 entire redemption or repurchase price and all interest and pawnshop charges by the
 45 maturity date; provided, however, that the first and last payment amounts may differ from
 46 the amounts of the other payments, provided that the final payment is not
 47 disproportionately larger than the other payments. In calculating and disclosing the
 48 payment schedule of a fixed term pawn transaction, a pawnbroker shall assume that the
 49 pledgor or seller will make all scheduled payments in full and on scheduled payment
 50 dates. The prohibition of a final payment which is disproportionately larger than the
 51 other payments shall not prohibit a pawnbroker from charging, collecting, or receiving
 52 additional interest and pawnshop charges on past due amounts. The first payment period
 53 of a fixed term pawn transaction may be shorter or longer than all other payment periods,
 54 provided that such payment period shall not be less than 28 days and not more
 55 than 45 days from the pawn transaction date and provided, further, that any difference in
 56 the amount of the first scheduled payment shall be proportional to the difference in length
 57 of the first payment period.

58 (2) For any fixed term pawn transaction, a pawnbroker may charge interest and charges
 59 not to exceed the interest and charges permitted under paragraphs (1) and (2) of
 60 subsection (d) of this Code section, provided that for fixed term pawn transactions with
 61 a set number of monthly periods, such rates may be applied for each monthly period
 62 rather than 30 day periods.

63 (3) For a fixed term pawn transaction with an agreed-upon number of months, the rate
 64 of interest and amount of charges shall be calculated and charged on a daily basis for the
 65 number of days outstanding, assuming a year of 365 days. For a fixed term pawn
 66 transaction with an agreed-upon number of 30 day periods, the rate of interest and
 67 amount of charges shall be calculated and charged on a daily basis, assuming a year of
 68 360 days consisting of 12 months of 30 days each.

69 (4) For a fixed term pawn transaction, interest and pawnshop charges may continue to
 70 accrue on the unpaid principal balance, including past due principal amounts, at the
 71 then-applicable daily rate until such unpaid principal amounts are paid in full. Such
 72 interest shall not be capitalized or compounded or paid, deducted, or received in advance.

73 (5) For any fixed term pawn transaction, the pledgor or seller may prepay in whole or in
 74 part or redeem or repurchase a motor vehicle or motor vehicle certificate of title at any
 75 time without any prepayment penalty. The redemption or repurchase amount shall be
 76 equal to the outstanding principal balance plus interest and pawnshop charges and other
 77 permitted fees accrued through and including the date of redemption or repurchase.

78 (c)(1) A pawnbroker shall not lease back to the ~~seller or pledgor~~ pledgor or seller any
 79 motor vehicle during a pawn transaction ~~or fixed term pawn transaction~~ or during any
 80 extension or continuation of the pawn transaction thereof.

81 ~~(3)~~(2) Unless otherwise agreed, a pawnbroker has upon default of the pledgor or seller
 82 under a pawn transaction or fixed term pawn transaction involving a motor vehicle title,
 83 the pawnbroker has the right to take possession of the motor vehicle. In taking
 84 possession, the pawnbroker or his or her agent may proceed without judicial process if
 85 this can be done without breach of the peace or may proceed by action.

86 ~~(4)(A)(d)~~(1) During the first 90 days of any pawn transaction or extension or
 87 continuation of the pawn transaction, a pawnbroker may charge for each 30 day period
 88 interest and pawnshop charges which together equal no more than 25 percent of the
 89 principal amount advanced, with a minimum charge of up to \$10.00 per 30 day period.

90 ~~(B)~~(2) On any pawn transaction which is continued or extended beyond 90 days, a
 91 pawnbroker may charge for each 30 day period interest and pawnshop charges which
 92 together equal no more than 12.5 percent of the principal amount advanced, with a
 93 minimum charge of up to \$5.00 per 30 day period.

94 ~~(C)~~(3) In addition to the charges provided for in subparagraphs ~~(A)~~
 95 paragraphs (1) and ~~(B)~~ (2) of this paragraph subsection, in a pawn transaction or fixed
 96 term pawn transaction or in any extension or continuation of a pawn transaction or fixed
 97 term pawn transaction involving a motor vehicle or a motor vehicle certificate of title, a
 98 pawnbroker may charge the following:

99 ~~(i)~~(A) A fee equal to ~~no~~ not more than any fee imposed by the appropriate state to
 100 register a lien upon a motor vehicle title, but only if the pawnbroker actually registers
 101 such a lien;

102 ~~(ii)~~(B) No more than \$5.00 per day in storage fees, but only if an actual repossession
 103 pursuant to a default takes place on a vehicle which was not already in the pawnbroker's
 104 possession and only for each day the pawnbroker must actually retain possession of the
 105 motor vehicle; ~~and~~

106 ~~(iii)~~(C) A repossession fee of \$50.00 within 50 miles of the office where the pawn
 107 originated, \$100.00 within 51 to 100 miles, \$150.00 within 101 to 300 miles, ~~and a fee~~
 108 ~~of~~ \$250.00 beyond 300 miles, but only if an actual repossession pursuant to a default
 109 takes place on a vehicle which was not already in the pawnbroker's possession; and

110 (D) For fixed term pawn transactions only, reasonable out-of-pocket costs incurred by
 111 the pawnbroker in preparing for the sale of and selling the motor vehicle consistent with
 112 Article 9 of Title 11.

113 ~~(D)~~(4) If a pledgor or seller requests that the pawnbroker mail or ship the pledged item
 114 to the pledgor or seller, a pawnbroker may charge a fee for the actual shipping and
 115 mailing costs, plus a handling fee equal to not more than 50 percent of the actual shipping
 116 and mailing costs.

117 ~~(E)~~(5) In the event the pledgor or seller has lost or destroyed the original pawn ticket, a
 118 pawnbroker may, at the time of redemption or repurchase, charge a fee equal to not more
 119 than \$2.00.

120 ~~(5)~~(e) No other charge or fee of any kind by whatever name denominated, including, but
 121 not limited to, any other storage fee for a motor vehicle, shall be made by a pawnbroker
 122 except as set out in ~~paragraph (4) of this subsection~~ subsection (d) of this Code section.

123 ~~(6)~~(f) No fee or charge provided for in this Code section may be imposed unless a
 124 disclosure regarding that fee or charge has been properly made as provided for in Code
 125 Section 44-12-138.

126 ~~(7)~~(A)(g)(1) Any interest, fees, or charges collected which are undisclosed, improperly
 127 disclosed, or in excess of that allowed by this ~~subsection~~ Code section may be recovered
 128 by the pledgor or seller in an action at law in any superior court of appropriate
 129 jurisdiction.

130 ~~(B)~~(2) In any such action in which the pledgor or seller prevails, the court shall also
 131 award reasonable attorneys' fees, court costs, and any expenses of litigation to the pledgor
 132 or seller.

133 ~~(C)~~(3) Before filing an action under this Code section, the pledgor or seller shall provide
 134 the pawnbroker with a written notice by certified mail or statutory overnight delivery,
 135 return receipt requested, that such an action is contemplated, ~~identifying.~~ Such notice

136 shall identify any fees or charges which the pledgor or seller contends are undisclosed,
 137 improperly disclosed, or in excess of the fees and charges allowed by this Code section.
 138 If the court finds that during the 30 days following receipt of this notice the pawnbroker
 139 made a good faith offer to return any excess, undisclosed, or improperly disclosed
 140 charges, the court shall award reasonable attorneys' fees, court costs, and expenses of
 141 litigation to the pawnbroker.

142 ~~(D)~~(4) No action shall be brought under this Code section more than two years after the
 143 pledgor or seller knew or should have known of the excess, undisclosed, or improperly
 144 disclosed charges.

145 ~~(b)~~(h) Any interest, charge, or fees contracted for or received, directly or indirectly, in
 146 excess of the amounts permitted under ~~subsection (a)~~ of this Code section shall be
 147 uncollectable and the pawn transaction shall be void. ~~All~~ For any pawn transaction other
 148 than a fixed term pawn transaction, all interest and the ~~pawnshop charge~~ charges allowed
 149 under ~~subsection (a)~~ of this Code section shall be deemed earned, due, and owing as of the
 150 date of the pawn transaction and a like sum shall be deemed earned, due, and owing on the
 151 same day of the succeeding month."

152 SECTION 3.

153 Said part is further amended in Code Section 44-12-137, relating to prohibited acts, penalties,
 154 presumption as to pledgor, and replacement of lost or damaged goods, by revising
 155 subsection (a) as follows:

156 "(a) Any pawnbroker and any clerk, agent, or employee of such pawnbroker who shall:
 157 (1) Fail to make an entry of any material matter in his or her permanent record book;
 158 (2) Make any false entry therein;
 159 (3) Falsify, obliterate, destroy, or remove from his or her place of business such
 160 permanent record book;
 161 (4) Refuse to allow any duly authorized law enforcement officer who is certified by the
 162 Georgia Peace Officer Standards and Training Council or who is a federal officer to
 163 inspect ~~his~~ the permanent record book or any goods in his or her possession during the
 164 ordinary hours of business or at any reasonable time;
 165 (5) Fail to maintain a record of each pawn transaction or fixed term pawn transaction for
 166 at least four years;
 167 (6) Accept a pledge or purchase property from a person under the age of 18 years or who
 168 the pawnbroker knows is not the true owner of such property;
 169 (7) Make any agreement requiring the personal liability of a pledgor or seller or waiving
 170 any of the provisions of this part or providing for a maturity date less than one month
 171 after the date of ~~the~~ a pawn transaction; or

172 (8) Fail to return or replace pledged goods to a pledgor or seller upon payment of the full
 173 amount due the pawnbroker unless the pledged goods have been taken into custody by
 174 a court or a law enforcement officer or agency, shall be guilty of a misdemeanor."

175 **SECTION 4.**

176 Said part is further amended by revising Code Section 44-12-138, relating to restrictions on
 177 advertising and disclosure tickets or statements, as follows:

178 "44-12-138.

179 (a)(1) Any pawnbroker as defined in paragraph (2) of Code Section 44-12-130 shall
 180 include most prominently in any and all types of advertisements the word 'pawn' or the
 181 words 'pawn transaction' or 'fixed term pawn transaction.' A pawnbroker shall not use
 182 the term 'loan' in any advertisements or in connection with any advertising of the business
 183 of the pawnbroker; provided, however, that the provisions of this sentence shall not apply
 184 to a pawnbroker in business on March 1, 1992, which uses the term 'loan' in connection
 185 with the name of the business or with advertising of the business.

186 (2) On any sign advertising a pawnbroker's business, the words on such sign shall be in
 187 at least 24 inch high letters. On any other sign on the property where the pawnbroker's
 188 business is located which advertises any other activities or business engaged in by the
 189 person who is a pawnbroker, the words on such sign shall be in 12 inch high letters or
 190 smaller; provided, however, that the provisions of this paragraph shall not apply to signs
 191 of pawnbrokers which signs are in existence on March 1, 1992.

192 (b) Every pawnbroker in every pawn transaction or fixed term pawn transaction shall
 193 present the pledgor or seller with a written disclosure ticket or statement in at least
 194 nine-point type, appropriately completed, with no other written or pictorial matter except
 195 as provided in subsection (c) of this Code section, containing the following information:

196 (1) Information identifying the pawnbroker by name and address;

197 (2) A statement as follows:

198 "This is a pawn ~~transaction~~. Failure to make your payments as described in this
 199 document can result in the loss of the pawned item. The pawnbroker can sell or keep
 200 the item if you have not made all payments by the specified maturity date.';

201 (3) If the pawned item is a motor vehicle or motor vehicle certificate of title, a statement
 202 as follows:

203 'Failure to make your payment as described in this document can result in the loss of
 204 your motor vehicle. The pawnbroker can also charge you certain fees if he or she
 205 actually repossesses the motor vehicle.';

- 206 (4) ~~A~~ (A) For any pawn transaction other than a fixed term pawn transaction, a
 207 statement that the length of the pawn transaction is 30 days and that it can only be
 208 renewed with the agreement of both parties and only for 30 day incremental periods.
 209 (B) For any fixed term pawn transaction, a description of the term and a payment
 210 schedule for the fixed term pawn transaction that complies with the payment schedule
 211 disclosure requirements of the federal Truth in Lending Act and regulations
 212 promulgated under the federal Truth in Lending Act;
- 213 (5) ~~The~~ (A) For any pawn transaction other than a fixed term pawn transaction, the
 214 annual percentage rate, computed in accordance with the federal Truth in Lending Act
 215 and regulations promulgated under the federal Truth in Lending Act, for the first 30
 216 days of the transaction, computed as if all interest and pawnshop charges were
 217 considered to be interest.
 218 (B) For any fixed term pawn transaction, the annual percentage rate, computed in
 219 accordance with the federal Truth in Lending Act and regulations promulgated under
 220 the federal Truth in Lending Act, computed as if all contracted-for interest and charges
 221 were considered to be interest;
- 222 (6) ~~The~~ For any pawn transaction other than a fixed term pawn transaction, the annual
 223 percentage rate, computed in accordance with the federal Truth in Lending Act and
 224 regulations promulgated under the federal Truth in Lending Act, for each 30 day period
 225 in which the pawn transaction might be continued or extended, computed as if all interest
 226 and pawnshop charges were considered to be interest. For purposes of identifying the
 227 annual percentage rate after the second continuation or extension, a single statement
 228 which identifies an annual percentage rate for each possible 30 day period thereafter shall
 229 meet the requirements of this Code section;
- 230 (7) ~~A~~ For any pawn transaction other than a fixed term pawn transaction, a statement in
 231 dollar amounts of how much it will cost the ~~seller or pledgor~~ pledgor or seller to redeem
 232 or repurchase the merchandise in the first 30 day period of the transaction;
- 233 (8) ~~A~~ and a statement in dollar amounts of how much it will cost the ~~seller or pledgor~~
 234 pledgor or seller to redeem or repurchase the merchandise in any 30 day period after the
 235 first 30 day period of the pawn transaction, provided that all fees and charges have been
 236 kept current;
- 237 (8) For any fixed term pawn transaction, a statement that the pledgor or seller may
 238 redeem or repurchase the motor vehicle or motor vehicle certificate of title, at any time
 239 with no prepayment penalty, for an amount equal to the outstanding principal balance
 240 plus interest and pawnshop charges and other permitted fees accrued through and
 241 including the date of redemption or repurchase;
- 242 (9) A statement of the specific maturity date of the pawn transaction;

243 (10) ~~A statement of how long;~~ (A) For any pawn transaction other than a fixed term
 244 pawn transaction, a statement of the length of the grace period, the period during which
 245 the pledged goods may be redeemed or repurchased after the specific maturity date, and
 246 the dollar amount which will be required to redeem or repurchase the pledged goods
 247 after the specific maturity date.

248 (B) For any fixed term pawn transaction, a statement that the pledgor or seller has a 30
 249 day grace period following the due date for a missed or incomplete payment, during
 250 which period the pledgor or seller may redeem or repurchase the motor vehicle or
 251 motor vehicle certificate of title, and a description of the pawnbroker's right to seek
 252 possession of and sell the motor vehicle security if the pledgor or seller fails to pay any
 253 amount owing under the fixed term pawn transaction in accordance with the payment
 254 schedule for such transaction;

255 (11) A statement that after the grace period expires the pledged goods become the
 256 property of the pawnbroker, unless, in the case of a fixed term pawn transaction, the
 257 pawnbroker agrees to provide additional time;

258 (12) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 259 motor vehicle certificate of title, a statement that the pawnbroker may not charge a
 260 storage fee for the motor vehicle unless the pawnbroker repossesses the motor vehicle
 261 pursuant to a default;

262 (13) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 263 motor vehicle certificate of title, a statement that the pawnbroker may charge a storage
 264 fee for a repossessed motor vehicle not to exceed \$5.00 per day, but only if the
 265 pawnbroker actually repossesses and actually ~~must store~~ stores the motor vehicle;

266 (14) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 267 motor vehicle certificate of title, a statement that the pawnbroker may charge a
 268 repossession fee, not to exceed ~~\$50.00~~ \$250.00, but only if the pawnbroker actually
 269 repossesses the motor vehicle;

270 (15) If the pawn transaction or fixed term pawn transaction involves a motor vehicle or
 271 motor vehicle certificate of title, a statement that the pawnbroker may charge a fee to
 272 register a lien upon the motor vehicle certificate of title, not to exceed any fee actually
 273 charged by the appropriate state to register a lien upon a motor vehicle certificate of title,
 274 but only if the pawnbroker actually places such a lien upon the motor vehicle certificate
 275 of title;

276 (16) A statement that any costs to ship the pledged items to the pledgor or seller can be
 277 charged to the pledgor or seller, along with a handling fee to equal ~~no~~ not more than 50
 278 percent of the actual costs to ship the pledged items; and

279 (17) A statement that a fee of up to \$2.00 can be charged for each lost or destroyed pawn
280 ticket.

281 (c) In addition to the information required by subsection (b) of this Code section, the
282 pawnbroker may, but is not required to, include the following information on the same
283 disclosure ticket or statement, provided that such information is not used to obscure or
284 obfuscate the information required by subsection (b) of this Code section:

285 (1) Information identifying the pledgor or seller;

286 (2) Any logo which the pawnbroker may desire to use;

287 (3) Any numbers or characters necessary for the pawnbroker to identify the merchandise
288 or goods associated with the pawn transaction;

289 (4) Any other information required to be disclosed to consumers by any other law, rule,
290 or regulation of the United States or of the State of Georgia;

291 (5) Information identifying or describing the pledged item;

292 (6) Information which is only for the internal business use of the pawnbroker;

293 (7) The hours of operation of the pawnbroker;

294 (8) The time of day of the pawn transaction; and

295 (9) Any agreement between the pledgor or seller and the pawnbroker which does not
296 controvert the provisions of this part, of Part 5 of Article 8 of Chapter 14 of this title, or
297 of Part 2 of Article 15 of Chapter 1 of Title 10.

298 (d) The pawnbroker shall have the pledgor or seller sign the disclosure statement and shall
299 furnish a completed copy to the pledgor or seller. The pawnbroker shall maintain a
300 completed and signed copy of the disclosure statement on file for two years subsequent to
301 the maturity date of the pawn transaction or fixed term pawn transaction. Failure to
302 maintain such a copy shall be conclusive proof that the pawnbroker did not furnish such
303 a statement to the pledgor or seller.

304 (e) Notwithstanding anything to the contrary contained elsewhere in this Code section, no
305 municipality or local government may impose any requirements upon a pawnbroker
306 regarding the disclosures which must be made to a pledgor or seller or which must be made
307 in the pawn ticket, other than those requirements contained in this Code section."

308 SECTION 5.

309 Part 5 of Article 8 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,
310 relating to liens by pawnbrokers, factors, bailees, acceptors, and depositories, is amended by
311 revising Code Section 44-14-403, relating to pawnbroker liens, action for interference, grace
312 period on pawn transactions, extension or continuation of maturity date, and redemption, as
313 follows:

314 "44-14-403.

315 (a) For purposes of this Code section, the term 'fixed term pawn transaction' shall have the
 316 same meaning as provided for in Code Section 44-12-130.

317 (b) A pawnbroker shall have a lien on the pledged goods pawned for the money advanced,
 318 interest, and pawnshop ~~charge~~ charges owed but not for other debts due to ~~him~~ such
 319 pawnbroker. He A pawnbroker may retain possession of the pledged goods until his the
 320 lien is satisfied and may have a right of action against anyone interfering therewith.

321 ~~(b)(1)(c)(1)(A)~~ There shall be a grace period on all pawn transactions and fixed pawn
 322 transactions. On pawn transactions and fixed pawn transactions involving motor
 323 vehicles or motor vehicle certificates of title, the grace period shall be 30 calendar days;
 324 on all other pawn transactions, the grace period shall be ten calendar days.

325 (B) For any pawn transaction other than a fixed term pawn transaction, where the
 326 pledgor or seller fails to redeem or repurchase the property by the maturity date, the
 327 grace period shall begin on the first day following the maturity date of the pawn
 328 transaction or on the first day following the expiration of any extension or continuation
 329 of the pawn transaction, whichever occurs later.

330 (C) For any fixed term pawn transaction, the grace period shall begin on the first day
 331 following the due date for a missed or incomplete payment.

332 (D) In the event that the last day of the grace period falls on a day in which the
 333 pawnbroker is not open for business, the grace period shall be extended through the first
 334 day following upon which the pawnbroker is open for business. The pawnbroker shall
 335 not sell the pledged goods during the grace period.

336 ~~(2)(A) By~~ For any pawn transaction other than a fixed term pawn transaction, by a
 337 written agreement of the parties, the maturity date of the pawn transaction may be
 338 extended or continued for 30 day periods, provided that the interest rates and charges
 339 as specified in Code Section 44-12-131 are not exceeded. ~~The grace period shall begin~~
 340 ~~running on the first day following the maturity date of the pawn transaction or on the~~
 341 ~~first day following the expiration of any extension or continuation of the pawn~~
 342 ~~transaction, whichever occurs later. All extensions or continuations of the pawn~~
 343 ~~transaction shall be evidenced in writing.~~

344 (B) For any fixed term pawn transaction, parties may renew the transaction beyond the
 345 original contracted maturity date, provided that:

346 (i) Such renewal transaction shall be evidenced by a new written agreement between
 347 the parties and shall be treated as a new fixed term pawn transaction, subject to all
 348 requirements of this part applicable to new fixed term pawn transactions;

349 (ii) For a renewal transaction where the pledgor or seller receives an additional
 350 principal amount, the pawnbroker may charge interest and pawnshop charges not to

351 exceed the rate of interest and amount of charges permitted under Code Section
 352 44-12-131; or

353 (iii) For a renewal transaction where the pledgor or seller receives no additional
 354 principal amount, the pawnbroker may charge interest and pawnshop charges not to
 355 exceed the lesser of:

356 (I) Twelve-and-one-half percent per month or 30 day period of the applicable
 357 amount advanced; or

358 (II) The rate of interest and amount of charges applicable at the time of renewal of
 359 the fixed term pawn transaction.

360 (3) ~~Pledged~~ For any pawn transaction other than a fixed term pawn transaction, pledged
 361 goods may be redeemed or repurchased by the pledgor or seller within the grace period
 362 by the payment of any unpaid accrued fees and charges, the repayment of ~~the~~ all
 363 outstanding principal, and the payment of an additional interest charge not to exceed 12.5
 364 percent of the principal outstanding at the start of the applicable grace period. For any
 365 fixed term pawn transaction, goods may be redeemed or repurchased by the pledgor or
 366 seller within the grace period by paying an amount equal to the outstanding principal
 367 balance plus interest and pawnshop charges and other permitted fees accrued through and
 368 including the date of redemption or repurchase.

369 (4) ~~Pledged~~ Unless the pawnbroker agrees to provide additional time, goods not
 370 redeemed or repurchased within the grace period shall be automatically forfeited to the
 371 pawnbroker by operation of this Code section, and any ownership interest of the pledgor
 372 or seller shall automatically be extinguished as regards the pledged item.
 373 Notwithstanding the foregoing, only in respect to fixed term pawn transactions, within
 374 45 days of the pawnbroker's receipt of funds from the sale of a pledged, unredeemed
 375 motor vehicle, the pledgor or seller shall be entitled to receive all proceeds from the sale
 376 of such motor vehicle in excess of the principal amount due to the pawnbroker, interest
 377 and pawnshop charges accrued through the date the pawnbroker took possession of the
 378 motor vehicle, and the reasonable expenses incurred by the pawnbroker in taking
 379 possession of, preparing for the sale of, and selling the motor vehicle consistent with the
 380 fees and charges permitted under Code Section 44-12-131.

381 ~~(4)~~(5) Any attempt to circumvent the interest rates and charges as specified in Code
 382 Section 44-12-131 shall be null and void.

383 (6) ~~A~~ For any pawn transaction other than a fixed term pawn transaction, such
 384 transactions shall be considered to have been extended or continued under
 385 subparagraph (A) of paragraph (2) of this subsection unless:

386 (A) All charges, fees, and the principal have actually been paid or repaid on the
 387 previous pawn transaction;

388 (B) The pledged goods in the previous transaction, including, but not limited to, a
 389 motor vehicle certificate of title, have actually been restored to the possession of the
 390 pledgor or seller; and

391 (C) The pledged goods in the previous transaction have been removed from the
 392 business premises of the pawnbroker and, in the case of a motor vehicle certificate of
 393 title, any lien on the motor vehicle certificate of title has been removed or released.

394 (7) Fixed term pawn transactions shall not be considered to be renewed except as
 395 expressly provided in subparagraph (B) of paragraph (2) of this subsection.

396 (d) For any fixed term pawn transaction, where the pledgor or seller fails to pay any
 397 amount in full when it is due, a pawnbroker may repossess the motor vehicle and exercise
 398 his or her rights under Code Section 44-12-131. The pledgor or seller may redeem or
 399 repurchase a motor vehicle or motor vehicle certificate of title at any time prior to the
 400 expiration of the grace period described in subsection (c) of this Code section, and the
 401 pawnbroker shall not dispose of the repossessed motor vehicle until after such grace period
 402 has expired. The pawnbroker shall also allow the pledgor or seller to bring the delinquent
 403 account current prior to or after the expiration of the grace period by paying all accrued
 404 pawnshop charges and fees and all unpaid past due amounts of interest and principal. The
 405 pledgor or seller may pay all moneys owed and past due to a pawnbroker during the grace
 406 period and, upon payment of such amount, the motor vehicle shall not be forfeited as
 407 provided for by paragraph (4) of subsection (c) of this Code section and the fixed term
 408 pawn transaction shall continue in accordance with the terms of the contract."

409 **SECTION 6.**

410 All laws and parts of laws in conflict with this Act are repealed.