

VOTE YES ON HB 2975
**PAWNBROKERS ARE IMPORTANT TO OREGON
CONSUMERS**

PAWNBROKERS

Pawnbroking is the oldest form of highly regulated consumer credit and provide a same-day financial solution for those in need. Pawnbrokers provide short-term non-recourse loans based on collateral the customer brings into a pawnshop. The average loan is \$175. Pawn loans are non-recourse, there no credit inquiries, no credit reporting, no collections, and therefore no cycle of debt. Other credit-based lenders, such as bank and credit unions, do not offer small dollar loans in the same way as pawnbrokers. Without state-licensed pawnbrokers, Oregonians could be forced to borrow from unlicensed people with unregulated loans that include very high interest rates or forced to sell property that they are not ready to sell.

Pawnbroking is highly regulated by Oregon's Department of Consumer and Business Services (DCBS) and most pawnbrokers are also regulated by the Bureau of Alcohol Tobacco and Firearms (ATF), Oregon State Police and the Department of Agriculture. DCBS reports to pawnbrokers annually and there are very few (to none) consumer complaints about pawnbrokers.

HB 2975

HB 2975 makes two small, but important changes to statutory fees. The bill would increase the pawn Storage Fee from the current 5% to 7%; and increases the Firearm Fee from \$3 to \$5 on new loans (and \$3.00 from the current \$1.00 on firearm renewals).

Pawnbrokers must go to the legislature for fee increase requests. Pawnbroking fees have not been raised in nearly a decade. Interest rates are capped in statute. The last time the storage fee was increased was eight years ago in 2015. The Firearm Fee was last raised nine years ago in 2014.

These fee increases come at a critical time for pawnbrokers. Fees are important because they help offset the growing cost of safely and securely storing customer merchandise, including as a safe and secure firearms storage option. And importantly, pawnbrokers are not immune from the rising costs of doing business from meeting employee financial needs, to meeting increasing state agency fees, to keeping up with rising inflation.

In order to keep our neighborhood pawnbrokers in business, providing critical short-term loans and safely and securely storing customer property, the legislature needs to approve these modest fee increases.

Please support HB 2975