

July 1, 2010

**2010 Legislative Amendments to the Indiana Pawnbroking Law - Effective July 1, 2010**

**Questions, Answers, and Administrative Interpretations:** This document contains a Q&A relating to new provisions in the Indiana Pawnbroking Law (“Law”). Careful review of the entire Law is recommended. The new provisions of the Law can be found in Senate Enrolled Act 328 beginning at Section 170 (page 197) at the following link: <http://www.in.gov/dfi/SB0328.PDF>.

**1. What amendments have been made regarding the types of crimes that will be specifically subject to Department review at the time of licensing and renewal, and the subject of self-reporting in interim periods?**

Answer – While the Law previously only included felonies involving fraud, deceit, or misrepresentation – it now includes any felony convictions. IC 28-7-5-4 and IC 28-7-5-10.6.

**2. Is a pawn licensee required to notify the DFI if a new manager is hired?**

Answer – Yes - IC 28-7-5-8(d) requires a licensee to give the Department written notice of a replacement not later than 30 days after the person assumes a manager position.

**3. What new authority does the Department Director have with respect to the liquidation of a pawn operation?**

Answer – IC 28-7-5-10.1(c) provides that if:

“(1) a license is revoked under section 13 of this chapter and the director determines that it is not in the best interests of the public for the licensee to liquidate the business; or

(2) the director otherwise determines that it is in the best interests of the public;

the director may appoint a liquidating agent to conclude the affairs of the licensee's pawnbroker business in Indiana. The department may use the proceeds of the licensee's bond under section 5 of this chapter to pay the expenses of liquidation.”

**4. Has there been a change with respect to the venue of administrative or judicial review with respect to any licensure action taken by the Department?**

Answer – Yes, IC 28-7-5-15.1 states that administrative and judicial review of any licensure action taken by the Department will be held in Marion County.

**5. Does the Law clarify the Department's examination authority with respect to outside vendors (such as software providers) engaged by licensees?**

Answer – Yes, IC 28-7-5-16(f) clarifies the Department's authority to examine these types of entities as deemed necessary by the Director:

(f) If a licensee contracts with an outside vendor to provide a service that would otherwise be undertaken internally by the licensee and be subject to the department's routine examination procedures, the person that provides the service to the licensee shall, at the request of the director, submit to an examination by the department. If the director determines that an examination under this subsection is necessary or desirable, the examination may be made at the expense of the person to be examined. If the person to be examined under this subsection refuses to permit the examination to be made, the director may order any licensee that receives services from the person refusing the examination to:

- (1) discontinue receiving one (1) or more services from the person; or
- (2) otherwise cease conducting business with the person.

**6. Has there been a change to the section of the Law governing when the licensee must surrender pawned merchandise to the pledger?**

Answer – Yes – in order to reconcile the language in the Law (IC 28-7-5-22 - requiring immediate surrender) to language contained in various local ordinances, the following language was added:

(b) If a local ordinance or other law requires the retention of the pledge for a specific period of time, the pawnbroker shall comply with the local ordinance or other law if the retention period does not exceed ten (10) days.

Conforming language was also included in IC 28-7-5-23.