



**STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER**

RULES AND REGULATIONS

Collateral Loan Brokers

Rules and Regulations of the State Comptroller on the keeping of books, records, entries and reports that this Office deems necessary to determine the amount of surplus payable as abandoned property in relation to collateral loan brokers and unclaimed surplus from the sale of pledges. (References: General Business Law (GBL), §55; [Abandoned Property Law \(APL\)](#), §1414)

PREFACE

Article 5 of the GBL (§§40 through 55) governs the operation of the business of a collateral loan broker. The Rules and Regulations of the State Comptroller promulgated pursuant to §55 of the GBL are set forth in this document.

No one may engage in the business of a collateral loan broker without having obtained a license to do so from the mayor or local licensing authority and without being [registered](#) with the State Comptroller. (Reference: GBL §§40 and 53)

The mayor or local licensing authority may issue to citizens, who such authority deems proper and who shall produce satisfactory evidence of good character, a license to carry on the business of a collateral loan broker. (Reference: GBL §41)

The fee for a license for use in a city having a population of more than one million persons is \$500.00 yearly. Where the business is to be conducted elsewhere, the license fee may not exceed \$250.00 yearly. (Reference: GBL §41)

All licenses expire one year from the date of issuance and are renewable on application to the mayor or local licensing authority upon payment of the required fee and upon performance of the other conditions set forth in §41 of the GBL. (Reference: GBL §41)

Every licensee must file with the local licensing authority for approval. At the time of receiving the license, a bond conditioned for the faithful performance of the duties and

obligations pertaining to the business of a collateral loan broker executed by the licensee and two responsible sureties in the penal sum of \$10,000.00 must be obtained. (Reference: GBL §41)

Every person licensed as a collateral loan broker after June 29, 2009, shall complete not less than 12 hours every two years of continuing education instruction offered in a course or program approved by any mayor or licensing authority which licenses collateral loan brokers. Every collateral loan broker employing more than three employees must designate one individual as the manager of the business. Collateral loan brokers must maintain the receipts of such instruction for not less than four years. (Reference: GBL §41-a.)

Every collateral loan broker shall keep a written book at the time of such loan, containing an account and description of the goods, articles or things pawned or pledged, the amount of money loaned, the time of pledging, the rate of interest to be paid on such loan, in accordance to GBL §46, the name and residence of the person pawning or pledging the said goods, articles or things and a notation of whether the pledgor claims to be the owner, consignee or agent of the owner. A signed memorandum containing the same record required in the written book shall be given to the person pawning or pledging said goods. Said book and all other books and records regularly kept by such collateral loan broker shall at all reasonable times be open to the inspection of the state comptroller or any person who shall be duly authorized in writing and who shall exhibit such written authority to such collateral loan broker. Such books and records shall be retained in the possession of the collateral loan broker, in good condition and in an orderly fashion for at least a period of six years. (Reference: GBL §§43, 44,45 and 46)

Any surplus money resulting from a sale by a collateral loan broker after deducting the amount loaned or advanced, interest due thereon and any other lawful charges, which has remained unclaimed by the entitled person for one year from the date of sale is deemed abandoned property and must be reported and paid to the State Comptroller during the first 10 days of the succeeding month of July. (Reference: GBL §50; APL §1301) Forms and instructions for [reporting abandoned property](#) may be obtained from the Office of the State Comptroller.

Registration may be made by filing the [“Collateral Loan Broker's Registration Statement”](#) [with the State Comptroller](#). The filing fee is \$5.00. The form used for filing may be obtained from the State Comptroller. Also, whenever there is a change in the personnel of the partners, principals, or officers or in the location of the principal place of business, supplemental registration statement must be filed with the State Comptroller, using the same form. The supplemental filing fee is \$2.50. (Reference: GBL §53)

See §§41, 51 and 54 of the GBL, which provides for penalties and fines for violations of the provisions of Article 5 of the GBL. See §1412 for penalties and interest under the provisions of the APL.