

**CHAPTER 67. SALE OF PLEDGE****GENERAL PROVISIONS**

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**Authority**

The provisions of this Chapter 67 issued under the Pawnbrokers License Act (63 P. S. §§ 281-1—281-32), unless otherwise noted.

**GENERAL PROVISIONS****§ 67.1. Notice.**

(a) Notice of contemplated sale of a pledge on a defaulted loan of 7 dollars or more shall be mailed to the last known address of the pledgor at least 30 days prior to the date of sale.

(b) The notice of sale shall show the total amounts of principal and charges due on the loan as of the date of the notice.

**§ 67.2. Time.**

(a) Pledges may not be sold prior to the expiration of 90 days after the due date of the loan, except as otherwise provided in subsection (b).

(b) The pledgor may authorize the sale of a pledge prior to the expiration of the 90-day period, if such authorization is one of the following:

- (1) In writing.
- (2) Given subsequent to the due date of the loan.

**Source**

The provisions of this § 67.2 amended December 26, 1997, effective December 27, 1997, 27 Pa.B. 6796. Immediately preceding text appears at serial page (237549).

**§ 67.3. Conditions.**

(a) A pledge shall not be sold at a private sale unless the pledgor has agreed to the minimum amount for which the pledge shall be sold. This price shall be stipulated on the pawn ticket.

- (b) The private sale price shall be subject to the following conditions:
- (1) Sale price shall be at least 125% of the original amount of the loan.
  - (2) Pledgor shall not be compelled to set a minimum price.
  - (3) Pledgor may fix a price at an amount in excess of 125% of the amount of the loan.
  - (4) Licensees shall not influence the pledgor in determining the amount of the price.
- (c) All pledges which cannot be sold for at least the minimum private sale price, and all pledges upon which a minimum price has not been agreed, shall be sold at public auction sale.

### PROCEEDS AND SURPLUS

#### § 67.11. Application.

- (a) The proceeds from the sale of a pledge shall be applied as follows:
- (1) Payment of the charges of the auctioneer, if sold at public sale.
  - (2) Payment of selling commission, not to exceed 5.0%, if sold at private sale.
  - (3) Payment of principal and charges on the loan.
  - (4) Payment of postage for mailing notice of sale and notice of surplus.
- (b) A selling commission on private sale shall not be charged when a forfeited pledge is sold to the licensee or to any person who is in any way affiliated with the licensee.
- (c) Surplus, if any, remaining from the proceeds of the sale of a forfeited pledge shall be paid to the pledgor.
- (d) A surplus from the sale of the pledge or pledges on one loan or pawn ticket shall not be applied as an offset against a deficit from the sale of the pledge or pledges on another loan or pawn ticket of the same pledgor.

#### § 67.12. Notice of surplus.

Notice of any surplus from the sale of a pledge amounting to 50¢ or more shall be mailed to the last known address of the pledgor within 10 days after the date of the sale. It is recommended that pawnbrokers obtain from the post office a "certificate of mailing" as evidence of mailing of the notice of surplus.

#### § 67.13. Reversion.

If a surplus remaining from the sale of a pledge is not paid to, or claimed by, the pledgor within one year from the date of sale, the surplus shall revert to the licensee, if he has complied with the provisions of this part.

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