



**Department of  
Consumer Affairs**

Julie Menin  
Commissioner

42 Broadway  
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New York, NY 10004

[nyc.gov/consumers](http://nyc.gov/consumers)

May 27, 2015

BY EMAIL

(Email Response to [REDACTED])

RE: Question Regarding Pawnshop License

Dear Ms. [REDACTED]

This letter is in response to your inquiry in which you ask whether you must seek renewal of your current Department of Consumer Affairs (DCA) pawnbroker license in order to continue to collect on outstanding loans after the licensed location has closed. The answer is yes.

Article 5 of the New York General Business Law (“GBL”) Section 52 defines a “collateral loan broker” as “any person, partnership or corporation: (1) loaning money on deposit or pledge of personal property, other than securities or printed evidences of indebtedness; or (2) dealing in the purchasing of personal property on condition of selling back at a stipulated price; or (3) designated or doing business as furniture storage warehousemen, and loaning and advancing money upon goods, wares or merchandise pledged or deposited as collateral security.”

As defined in GBL Section 52(1), a person engages in collateral loan broker activity by loaning money on deposit or pledge of personal property. Thus, as long as you maintain possession of the pledged property while collecting on a loan, until the pledgor redeems the property, you are engaged in collateral loan broker activity, for which a license is required. Please be advised that while you collect on any outstanding loans, you must comply with all DCA laws and rules pertaining to collateral loan brokers.

The penalty for engaging in collateral loan broker activity without having a DCA license is \$100 for every day of unlicensed activity.

Thank you for your inquiry.

Sincerely,

[REDACTED]  
Staff Attorney