

## Chapter DFI-Bkg 77

## PAWNBROKERS

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**Note:** Chapter Bkg 77 was renumbered Chapter DFI-Bkg 77 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, June, 1997, No. 498, eff. 7–1–97. Chapter DFI-Bkg 77 was repealed and recreated by emergency rule effective October 1, 2006; and as it existed on March 31, 2007, was repealed and a new chapter DFI-Bkg 77 was created, Register March 2007 No. 615, effective April 1, 2007.

**DFI-Bkg 77.01 Scope.** This rule applies to any person licensed under s. 138.09, Stats., who is operating as a pawnbroker.

**History:** CR 06–124: cr. Register March 2007 No. 615, eff. 4–1–07.

**DFI-Bkg 77.02 Definitions.** In this chapter:

(1) “Hold order” means an order issued by a local, state or federal law enforcement agency directing a pawnbroker to hold any tangible pledged personal property for purposes of further investigation by the agency.

(2) “Pawnbroker” includes any person who engages in the business of lending money on the deposit or pledge of personal property, other than choses in action, securities, or written evidences of indebtedness, or who purchases personal property with an expressed or implied agreement or understanding to sell it back at a subsequent time at a stipulated price.

(3) “Pawn ticket” means the card, book, receipt or other record furnished to the pledgor at the time a loan is granted containing the terms of the contract for a loan.

(4) “Person” includes an individual, partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company or any other group of individuals however organized.

(5) “Pledge” means an article or articles deposited with a pawnbroker as security for a loan in the course of the pawnbroker’s business as defined in sub. (2).

(6) “Pledgor” means the person who obtains a loan from a pawnbroker and delivers a pledge into the possession of a pawnbroker, unless the person discloses that he or she is or was acting for another in which case a “pledgor” means the disclosed principal.

**History:** CR 06–124: cr. Register March 2007 No. 615, eff. 4–1–07.

**DFI-Bkg 77.03 Hours and days of operation.** (1) A pawnbroker may not be open for business on any day prior to 8:00 a.m. or after 8:00 p.m.

(2) A pawnbroker’s normal business hours shall be posted in the licensed office and visible from the main public entrance of the pawnbroker’s place of business.

(3) If a pawnshop is closed on the last day that the pledgor may redeem a pledge, the pledgor shall have until the close of business on the next day the pawnshop is open to redeem the pledged goods or renew or extend the pawn transaction.

**History:** CR 06–124: cr. Register March 2007 No. 615, eff. 4–1–07; CR 23–039: am. (1) Register March 2024 No. 819, eff. 4–1–24.

**DFI-Bkg 77.04 Holding period.** No unredeemed pledge may be sold before the expiration of 30 days after the original or extended maturity date of the loan.

**History:** CR 06–124: cr. Register March 2007 No. 615, eff. 4–1–07.

**DFI-Bkg 77.05 Law enforcement requests and orders.** (1) Every pawnbroker shall provide to or make available for inspection by local, state and federal law enforcement agencies the records of all pledges received. The pawnbroker shall comply with the requests of these agencies regarding the frequency and means of the records reporting.

(2) A hold order shall be effective upon written or verbal notification to the pawnbroker by a local, state or federal law enforcement agency. No sale or other disposition may be made of any tangible personal property deposited with or in the custody of the pawnbroker while the hold order remains in effect.

**History:** CR 06–124: cr. Register March 2007 No. 615, eff. 4–1–07.

**DFI-Bkg 77.06 Notice of sale.** (1) Subject to sub. (2), a pawnbroker may not sell any pledge unless notice of the sale has been forwarded to the pledgor at the address given by the pledgor at the time of obtaining the loan or to a new address of the pledgor, as shown in the pawnbroker’s record. Notice of the sale shall be sent to the pledgor not fewer than 30 days before the date of sale. The notice shall state the total amount of principal, interest, and charges due on the loan as of the date of the notice.

(2) The address to which notice is sent under sub. (1) may be any of the following:

(a) A physical mailing address.

(b) An electronic mail address or telephone number capable of receiving text messages if all of the following apply:

1. The pawnbroker receives the pledgor’s written consent to receive notices by electronic mail or text message. The consent must be signed by the pledgor, and it must prominently state that the pledgor has the right to withdraw consent to receive notices by electronic mail or text message at any time. A separate signature for the consent is not required if the pawnbroker receives direct authorization by electronic mail or text message from the pledgor’s electronic mail address or telephone number.

2. The pawnbroker requires at the time of the consent under subd. 1. that the pledgor verify the electronic mail address or telephone number as follows:

a. With respect to consent for a notice sent by electronic mail, the pawnbroker requires the pledgor to verify the accuracy of the electronic mail address by writing or electronically entering the address 2 times, by receiving and replying to a test electronic mail from the pawnbroker, or by any other method approved by the division of banking.

b. With respect to consent for a notice sent by text message, the pawnbroker requires the pledgor to verify the pledgor’s ability to receive a text message by receiving and replying to a test text message from the pawnbroker or by any other method approved by the division of banking.

3. The pawnbroker retains records of electronic mail or text message notices sent to that address, including the content and the time and date of the delivery.

4. The pawnbroker sends notice to the pledgor’s physical mailing address if the electronic mail or text message delivery

fails or if the pledgor withdraws consent to receive notice by electronic mail or text message.

**History:** CR 06-124: cr. Register March 2007 No. 615, eff. 4-1-07; 2021 Wis. Act 203: renum. DFI-Bkg 77.06 to (1) and am., cr. (2) Register March 2022 No. 795, eff. 3-20-22.

**DFI-Bkg 77.07 Effect of nonredemption.** A pledgor has no obligation to redeem pledged goods or make any payment on a pawn transaction. Pledged goods not redeemed within 30 days after the original or extended maturity date of the loan shall automatically be forfeited to the pawnbroker.

**History:** CR 06-124: cr. Register March 2007 No. 615, eff. 4-1-07; CR 23-039: am. Register March 2024 No. 819, eff. 4-1-24.

**DFI-Bkg 77.08 Agreements and extensions.** (1) A pawnbroker and pledgor may agree to one or more extensions of a pawn transaction. The agreement shall be in writing and signed by the pledgor. A copy of the agreement shall be given to the pledgor.

(2) The agreement shall disclose the pawn ticket number, the date of the extension agreement, the extended due date, the dollar amount collected on the date of the extension agreement, the dollar amount extended, the dollar amount of the finance charge to be paid for the extension period, the total amount due on the extended due date, and the notice required by s. 422.303 (3), Stats.

(3) The annual percentage rate of finance charge assessed on the unpaid balance of the amount financed during the extension period may not exceed the annual percentage rate of finance charge disclosed in the pawn transaction.

**History:** CR 06-124: cr. Register March 2007 No. 615, eff. 4-1-07.

**DFI-Bkg 77.09 Prohibited practices.** A pawnbroker may not do any of the following:

(1) Accept a pledge of a vehicle of a type for which a certificate of title is required.

(2) Fail to exercise reasonable care to protect pledged goods from loss or damage.

(3) Fail to return pledged goods to a pledgor or seller when the pledgor or seller pays the full amount due the pawnbroker within 30 days of the original or extended maturity date of the loan, unless the pledged goods have been taken into custody by a court or local, state, or federal law enforcement agency.

**History:** CR 06-124: cr. Register March 2007 No. 615, eff. 4-1-07; CR 23-039: am. (intro.), (3) Register March 2024 No. 819, eff. 4-1-24.

**DFI-Bkg 77.10 Lost or damaged goods.** A pawnbroker shall compensate the pledgor, in cash or replacement goods acceptable to the pledgor, for the fair market value of a pledge lost or damaged while in possession of the pawnbroker.

**History:** CR 06-124: cr. Register March 2007 No. 615, eff. 4-1-07.