



# STATE OF ALABAMA

## State Banking Department

M-E-M-O-R-A-N-D-U-M

To: All Pawnshops  
From: Scott Corscadden, Supervisor, Bureau of Loans  
Date: March 26, 2020  
Re: Pawnshop Pandemic Guidance

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The Alabama State Banking Department is aware that some pawnshops are utilizing their business continuity planning precautions by closing or adjusting store hours due to the everchanging developments surrounding COVID-19. Licensee is reminded that compliance with all applicable laws and regulations, including those regarding data security requirements, must be maintained. Keep in mind the following as you make your precautions:

### **Section 5-19A-9(a)**

It is the responsibility of the pawnbroker to protect pledged goods from loss or damage. To protect the pledged goods, a pawnshop may need to move or relocate the pledged goods to a safe and secure location to prevent damage or loss (e.g., another licensed pawnshop location if the pawnbroker has other licensed locations). If items are moves to another licensed location licensee must notify the customers to let them know where they can redeem their merchandise.

### **Section 5-19A-11(b)**

If a pawnshop temporarily consolidates their locations for this emergency the following information should be submitted to the Department in writing, by email or U.S. mail as soon as possible.

1. Name and physical address of closed location
2. Name, physical address, and phone number of the new location
3. Name and contact information of responsible party at new location

If a pawnshop closes due to COVID-19, a notice of closing should be posted on the door or window that is visible to the public. Licensee must also contact the Department with the following information in writing by email or U.S. mail as soon as possible.

1. Name and physical address of closed location
2. License number of the affected pawnshop location
3. Name and contact information of responsible party
4. Information that was given to the customers if they wish to redeem/renew their pawn
5. Projected time the closure will end

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**Section 5-19A-7 and Section 1-1-4 of the Alabama Code**

If a pawnshop is closed on the maturity date, the pledgor must have a reasonable opportunity to redeem the pledged goods when the licensee resumes its normal business operation. A pawnshop should waive the pawn service charge that is scheduled to accrue during the period of emergency closing for pawn transactions that have a maturity date during the emergency closing or for any pledgor who states an attempt was made to redeem the pledged goods during the closing.

If you should have any questions, please do not hesitate to contact the Department. Links to the statutes and regulations can be found on the Alabama State Banking Department's website at [banking.alabama.gov](http://banking.alabama.gov). For additional guidance on Pandemic Planning, please refer to the Memorandum sent from the Department via email to all licensed entities on March 12, 2020. This memo can also be found on the Department's website.

Thank you for your cooperation and commitment to work with Alabama consumers.