

## **Pawnshop Advisory Bulletin: Emergency Closing in Gulf Coast**

In anticipation of Hurricane Harvey making landfall in the Gulf Coast region, Governor Abbott has declared a State of Disaster for 30 Texas Counties.

This advisory bulletin explains the requirements for emergency closings, protecting pledged goods from loss or damage, effect of closings on pawn redemptions, safeguarding of business records, and temporary relocations.

The legal requirements for emergency closings and disaster recovery plans are located in the OCCC's rules at Texas Administrative Code, Title 7, Sections 85.401 and 85.402.

### **Emergency Closing**

A pawnshop may close as necessary for an emergency. If possible, a notice of closing should be posted so that it is visible from the main public entrance. A pawnshop is not required to notify the OCCC of emergency closings under this advisory. If a pawnshop is anticipated to be closed longer than 21 days, the following information should be submitted to the OCCC in writing by email, U.S. mail, fax, courier, or hand delivery:

- Name and physical address of closed location
- License number of the affected pawnshop location
- Name and contact information of responsible party
- Information regarding the number and types of outstanding pawn loans as of the closure date
- Location where the pledged goods are presently stored

### **Protecting Pledged Goods**

A pawnshop must exercise reasonable care 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).

### **Effect of Closing on Pawn Redemptions**

If a pawnshop is closed on the "last day of grace," the pledgor must have a reasonable opportunity to redeem the pledged goods at a time when the pawnshop 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 last day of grace during the emergency closing or for any pledgor who states an attempt was made to redeem the pledged goods during the closing.

**Disaster Recovery Plan**

A pawnshop must maintain a sufficient disaster recovery plan to ensure that pawn and purchase ticket information is not destroyed, lost, or damaged. As soon as possible, a pawnshop must implement the provisions of this disaster recovery plan.

**Business Records**

A pawnshop in the affected disaster areas has a duty to safeguard the business and pawn records. If records are destroyed or stolen, the pawnshop must make an effort to reconstruct the records. Documentation should be maintained regarding which records were destroyed or stolen and the efforts to reconstruct and preserve them.

**Temporary Relocation**

A pawnshop may temporarily relocate for this emergency if necessary. The following information should be submitted to the OCCC in writing, by email, U.S. mail, fax, courier, or hand delivery as soon as feasible.

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

**OCCC Assistance**

The OCCC is available for further information or assistance regarding emergency closing or replacement issues related to pledged goods that have been lost or damaged. Links to statutes and regulations can be located on our agency's website at [occc.texas.gov](http://occc.texas.gov).