

February 17, 2020
Senator

Maryland Senate Finance Committee

Re: Opposition to S. 411

Dear Senator Malcolm Augustine,

(Quick side note, my ten-year-old son's name is Augustine. Perfect Name!)

My name is Michael Cohen and I live in Montgomery County. I have two well respected and established pawnshops. One is in Prince Georges County and the other Charles County. I am on the Board of Directors for the Prince George's Chamber of Commerce and proud recipient of the Prince George's County Chamber of Commerce Excellence in Business for Community Service Award. I am very concerned that this bill will harm my local community and our state. **The bills' one-size-fits-all requirement would force pawn shops to close, killing an industry that is a stable safety-net that our customers rely on in their time of need.**

My family has been doing business in Prince Georges County for over fifty years and in the pawn business for a little over thirty. I still have customers come up and tell me how much they appreciated my father and how generous he was. How much respect he showed them every time they came in our shop or saw him around town. How he helped them out of bad situations, was always there to listen and without his help they don't know how they would have been able to help their own families. I have really enjoyed following in my father's footsteps and am proud of how many people I get to help every day. We have a family business in every way you can imagine. Most of our sixteen employees have been working with us for more than fifteen years, some as long as twenty-five plus. There are absolutely no other institutions that can service the tens of thousands of customers and constituents of your county and state that we do every year.

Our customers do not have access to traditional banking lines of credit. Our pawn transactions are not based on a customer's credit or income level. They are non-recourse transactions, based solely on the value of the personal property the customer brings in to exchange for cash. **No one will check the customer's credit and they will never be sent to collections or forced into bankruptcy for failure to pay. There is absolutely no requirement to pay back.** Almost 10% of US households have used pawn shops. The average pawn transaction in the U.S. is **less than \$150, the majority being under \$75**, and almost 85% of customers pay them off and redeem their collateral. Maryland pawnbrokers are highly regulated and licensed at the state and local levels. We are required to report all transactions to law enforcement within 24 hours. Pawnbroker charges are competitive, market-driven, transparent with no hidden fees and are usually less than many "late payment charges" charged by utility companies, landlords, banks, or credit-card companies. And pawn shops are green, environmentally-sustainable businesses – they are the largest sellers of recycled goods in the country.

Our customers are hardworking people who do not want a handout to pay a bill that ran higher than expected, or to cover emergency room charges or urgent vehicle repairs. They rely on our neighborhood pawn shops for the money to pay those expenses. I ask you to stop this harmful bill before it eliminates the availability of well-regulated, non-recourse credit sources that consumers depend on. **Thank you for your help with this urgent matter.**

Best Regards,
Michael Cohen (Top Dollar Pawn & Jewelry)
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Michael Cohen