

February 19, 2020

Senator Benjamin Kramer

Maryland Senate Finance Committee
11 Bladen Street
Annapolis, MD 21401

Re: Opposition to S. 411

Dear Senator Benjamin Kramer,

My name is Robert Nemes and I grew up in Montgomery County. I moved to Washington County over thirty years ago and purchased the historic Washington Street Pawnbrokers in downtown Hagerstown seventeen years ago. As a Pawnshop owner and resident in your neighboring district, 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.**

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 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.** 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 off their loans and redeem their collateral. Maryland pawnbrokers are highly regulated and licensed at the state or local level and typically 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.

I walk through my warehouse and see between 25 and 75 bicycles that the city residents store over the winter at my shop. In the city many people don't have room or access to storage for many of their personal or recreational items. I have jet skis, motorcycles, 4 wheelers, snow blowers, kayaks and canoes, etc. In our city we also have lots of contractors that once again don't have secure storage walking distance from their home. I store construction equipment from large aluminum siding breaks to landscape trailers full or all the gear needed from commercial mowers right down to weed whackers etc. Last but certainly not least we deal with firearms. Customers store their guns with us all year till they go hunting. They use them that week and then bring them right back for safe storage! Nobody can deny the opioid epidemic which has plagued our nation for over a decade. Many people have family heirlooms from grandpa's pocket watch to the family collection of hunting rifles that are currently just not safe at home! These fine American citizens shouldn't be force into selling them or having to rent a storage unit to watch these item rust into a pile of trash. They need me for practicality, common sense security, and storage. Notice I haven't even brought up providing money which is what everyone thinks of when they hear the word pawnshop. It doesn't have to be about the money although it is nice to be able to bring your items in for storage in December and get some spending money for the Holiday season. I would have to close my doors if this

were to pass and it would be terrible for the city not to have this wonderful symbiotic service helping the community.

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,

Robert Nemes
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