



March 10, 2025

Authority of Licensed Pawnbrokers

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Reference Number: CTAS-407

A pawnbroker license entitles the holder to do any or all of the following:

- (1) Make loans on the security of pledged goods¹ as a pawn or pawn transaction;
- (2) Purchase tangible personal property under a buy-sell agreement from individuals as a pawn transaction on the condition it may be redeemed or repurchased by the seller at a fixed price within a fixed time not to be less than sixty (60) days;
- (3) Lend money on bottomry (ships) and respondentia (cargo) security, at marine interest;
- (4) Deal in bullion, stocks and public securities;
- (5) Make loans on real estate, stocks and personal property;
- (6) Purchase merchandise for resale from dealers and traders;
- (7) Make over-the-counter purchases of goods which the seller does not intend to buy back. The pawnbroker is required to hold such goods for a period of not less than fifteen (15) days before offering the merchandise for resale; and
- (8) Use its capital and funds in any lawful manner within the general purposes and scope of its creation.

Notwithstanding the foregoing, however, before engaging in any of the above-listed transactions other than a "pawn" or "pawn transaction,"² a pawnbroker must comply with the provisions of any other applicable laws regulating such transactions. T.C.A. § 45-6-204.

¹ "Pledged goods" means tangible personal property, other than choses in action, securities, printed evidences of indebtedness or title documents, which tangible personal property is purchased by, deposited with, or otherwise actually delivered into the possession of the pawnbroker. T.C.A. § 45-6-203.

² "Pawn" or "pawn transaction" includes buy-sell agreements and loans of money. "Buy-sell agreement" is defined as any agreement whereby a pawnbroker agrees to hold property (pledged goods) for a specified period of time not less than sixty (60) days to allow the seller the exclusive right to repurchase the property; a buy sell agreement is not a loan of money, but must still meet all recording procedures to law enforcement officers as with a pawn transaction. A loan of money is defined as any loan of money on the security of pledged goods and being a written bailment of pledged goods as a security lien for such loan, for the cash advanced, interest and fees authorized by the pawnbroker law, redeemable on certain terms and with the implied power of sale on default. T.C.A. § 45-6-203.

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