

TITLE LOANS

Introduction & Overview

The governing authority for Title Loans is section 367.500 to 367.533. Regulations for title loans are found in 20 CSR 1140-29.010.

Loans made pursuant to this section are secured by titled personal property, primarily automobile titles, but they are different from traditional auto secured loans. Title loans are limited in size and require principal reductions by the borrower. A lender may not use the title to a mobile home as security for one of these loans.

The following is a quick reference guide for each section of chapter 367.500 to 367.533.

367.500	Defines the terms used in section 367.500 to 367.533.
367.503	Provides the authority for the Division of Finance to regulate lending on titled personal property, and establishes a confidentiality provision for all information obtained from applicants for certificates of registration.
367.506	Establishes requirements for registration and provides penalty provisions.
367.509	Sets forth certain qualifications for license applicants, establishes the amount of the investigation and registration fee, provides for the issuance of certificates of registration, and requires the certificate of registration to be conspicuously posted.
367.512	Establishes requirements for title loans and creates certain liabilities for the borrower.
367.515	Permits interest as the parties may agree, requires loans to be simple interest, and limits fees.
367.518	Establishes content requirements for a title loan agreement and requires the Division of Finance to promulgate a disclosure form.
367.521	Sets forth the procedures for the lender taking possession of the collateral and allows the borrower the right to redeem the collateral.
367.524	Sets forth the record keeping requirements for title loans.
367.525	Requires the lender to provide the applicant with a notice prior to accepting an application, requires the maximum rates be conspicuously posted, and requires the lender to consider the borrowers ability to repay the loan.
367.527	Sets forth certain limitations for title lenders.
367.530	Requires the lender to keep certificates of title in a safe place and maintain a one million dollar premises liability insurance policy.
367.531	Makes title loans subject to certain consumer protection provisions.
367.532	Provides for suspension or revocation of the license, and/or fines under certain circumstances.
367.533	Prohibits the use of the terms "pawn" or "pawnbroker" in the title, business name, or advertising of the title lender.

The Following Regulations Pertain to Title Loans	
20 CSR 1140-29.010 (1)	Requires the lender to conspicuously display the notice provided for in 365.525.3 and also requires the notice to include the name, address, and phone number of the Division of Finance.
20 CSR 1140-29.010 (2)	Places certain restrictions on licensee's location.
20 CSR 1140-29.010 (3)	Requires the lender to provide the borrower with a copy of the contract, and to retain a copy in the file.
20 CSR 1140-29.010 (4)	Specifies how interest and loan origination fees are earned.
20 CSR 1140-29.010 (5)	Limits the fees a lender may charge to those provided for in 408.140.1.
20 CSR 1140-29.010 (6)	Requires each owner of a vehicle to consent to its use as collateral for a loan.
20 CSR 1140-29.010 (7)	Outlines the policy of the Division of Finance on renewals.
20 CSR 1140-29.010 (8)	Establishes minimum recordkeeping requirements.
20 CSR 1140-29.010 (9)	Requires the lender to maintain a cash journal.

20 CSR 1140-29.010 (10)	Requires the lender to maintain a general ledger.
20 CSR 1140-29.010 (11)	Requires the lender to maintain an individual ledger.
20 CSR 1140-29.010 (12)	Establishes certain record maintenance requirements and permits examiner access to records.
20 CSR 1140-29.010 (13)	Prohibits erasures on individual or general ledgers.
20 CSR 1140-29.010 (14)	Requires paid notes to be returned to the borrower and security interests to be released.
20 CSR 1140-29.010 (15)	Requires a receipt for payment made in currency.

The following is a cross-reference guide to some of the more fundamental sections of 367.500 to 367.533

Agreement Contents	367.518
Examination Authority	367.524-5
License Display	367.509-4
Liens on Titles	367.500 (9)
Loan Term	367.512-1 (3)
Maximum Loan	367.527-1 (3)
Notices	367.525 & 20 CSR 1140-29.010 (1)
Penalties	367.531, 367.532
Rates & Fees	367.515-1 & 20 CSR 1140-29.010 (4) & 20 CSR 1140-29.010 (5)
Renewals	367.512-1 (4) & 20 CSR 1140-29.010 (7)