



## Guide to Online Pawn Loans

More and more consumers are searching for pawnshops that make online loans as a way to get fast cash in emergencies or to take advantage of the opportunities that a nearly instant loan can provide. Searching online allows consumers to shop for great deals, even outside of their state. Although pawnshops are regulated by state laws, there is very little *interstate* regulation, and **rates** can vary widely from state to state.

However, the very nature of collateralized lending is that your collateral still has to physically make the trip into the pawnshop for it to be appraised and securely stored. That's why pawn loans don't affect your credit rating—because you physically leave collateral behind.

The Internet is a terrific tool to find a trustworthy pawnshop and to help you do a lot of the work necessary to get a collateralized loan online. It always pays to do your research up front, whether it's for an online pawnshop or the traditional brick-and-mortar kind.

In this guide, we provide valuable information to help you make the best decision. The guide is divided into two parts:

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### **5 Steps Before Taking an Online Loan From a Pawnbroker**



### **9 Questions to Ask an Online Pawnbroker**

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## 5 Steps Before Taking an Online Loan From a Pawnbroker

### 1) Decide If You Really Need a Pawnbroker

If you have jewelry that has emotional value to you, you may not want to sell it. Instead, you can take a pawn loan and use the jewelry as collateral; your jewelry will be returned to you after the loan is repaid. Choose a pawnbroker who works with their customers, protects their valuable collateral, and makes sure their collateral is returned to them at the end of the transaction.



	Yes	No
Get a pawn loan?		
Sell my valuables?		

### 2) Do Your Homework

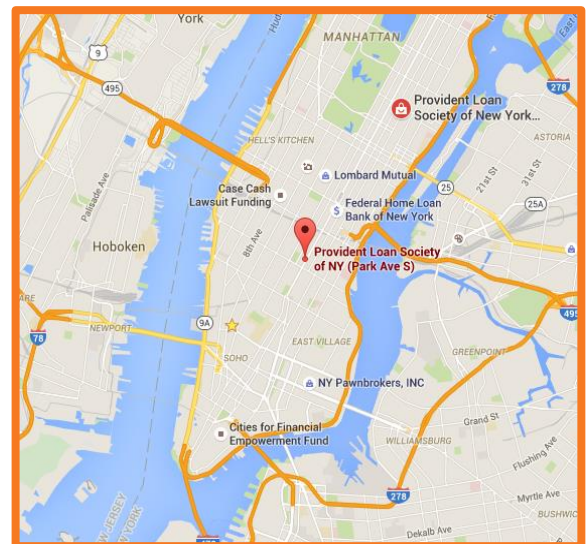
See what other customers say about the pawnbroker on Yelp or similar websites. Remember, though, pawnbroking is a business that deals with a lot of people in difficult situations or highly emotional circumstances. Even a reputable pawnbroker will have detractors, but the good reviews should outnumber the bad.

Name of Pawnshop	# Of Good Reviews	# Of Bad Reviews

### 3) Research the Physical Address

Even when the pawnshop is only online, they must still have a safe and secure physical location to store your valuables. Look up the pawnshop's physical address and company information. If they are only an online entity, stay away from them.

Name of Pawnshop	Physical Address	Online ONLY





**4) Call the Pawnshop**

Does the pawnshop answer the phone like it is a professional business? Does the pawnbroker seem more interested in helping you or in your jewelry? A good pawnbroker shows interest in the customer and wants the caller to feel safe. He or she should be able to give you straight answers in a timely fashion.

It is also important to know that the online pawnshop’s website is secure, so that no one else can access your information. Some pawnshops share information about their customers with a third party. Ask the pawnbroker for the company’s policies.

<b>Name of Pawnshop</b>		<b>Yes</b>	<b>No</b>
	Answers the phone in a professional manner?		
	Interested in me?		
	Interested only in my jewelry.		
	Is their website secure?		
	Answers the phone in a professional manner?		
	Interested in me?		
	Interested only in my jewelry.		
	Is their website secure?		
	Answers the phone in a professional manner?		
	Interested in me?		
	Interested only in my jewelry.		
	Is their website secure?		

**5) Comparison Shop**

If the deal looks too good to be true, it probably is. Don’t believe any guarantees unless they are in writing. Also, familiarize yourself with the interest rates charged in your state. You may live in a state with very high interest rates. That’s why you may want to get an online loan from a pawnshop in another state.

<b>Top 3 Choices</b>	<b>Name of Pawnshop</b>
<b>1.</b>	
<b>2.</b>	
<b>3.</b>	



## 9 Questions to Ask An Online Pawnbroker

### 1) What Is My Interest Rate?

In New York State, the highest interest rate allowed by law for a pawnshop is 4% per month, or 48% annually. Provident Loan Society keeps its rate at 2.16 % per month, or 26% annually. It's important to shop and compare interest rates as well as any additional fees charged by the online lender.



Name of Pawnshop	Interest Rate	
	Annual	%
	Monthly	%
	Daily	%
	Annual	%
	Monthly	%
	Daily	%
	Annual	%
	Monthly	%
	Daily	%

### 2) What Are My Total Fees?

Many people look only at the interest rate when taking a pawn loan and forget to research any additional fees, such as for storage, tickets, or lost tickets. Make sure you get an itemized list of fees.

Name of Pawnshop	Fees	
	Storage	
	Ticket	
	Lost Ticket	
	Other	
	Storage	
	Ticket	
	Lost Ticket	
	Other	
	Storage	
	Ticket	
	Lost Ticket	
	Other	



**3) Can My Interest Rate Increase Over Time?**

Some online pawnshops offer a low introductory rate for a short period of time, but be aware that this rate can increase. Provident Loan’s interest rate never increases from 26% for the term of the loan. (Borrowing money from Provident Loan for 1–6 months has an interest rate of 26 percent. The default rate is 48 percent.)

**Can My Interest Rate Increase Over Time?**

Name of Pawnshop	Yes	No



**4) How Should I Ship My Collateral?**

Will you be responsible for shipping your jewelry or other collateral to the pawnshop? If so, you’ll want some insurance coverage in case it is damaged in transit. That’s why Provident Loan suggests you send your valuables via the U.S. Post Office. Go to <https://www.usps.com/ship/> for more information.

Shipping Notes



**5) Where Will You Store My Valuables While They Are in Your Possession?**

Some pawnbrokers store valuables in a display case. However, a vault is the most secure, so that is preferable. Provident Loan Society always stores their customers' valuables in a secure vault.



Name of Pawnshop	Vault?	Safe?	Display Case?

**6) What Is the Appraisal Process?**

Having a written appraisal issued by, for example, [The Gemological Institute of America](#), is always valuable, especially as proof of ownership. In fact, any kind of written appraisal is helpful but not absolutely necessary. A good pawnshop will do their own appraisal, because even certificates of appraisal are subject to opinion.

An appraiser verifies the metal and any gemstones. The number of gold karats are determined, and then the gold is weighed with great accuracy. The appraiser then looks at the size and quality of any gemstones. If diamonds or other gemstones are mounted in jewelry, their weight is expertly estimated. If they are loose, they are carefully weighed.

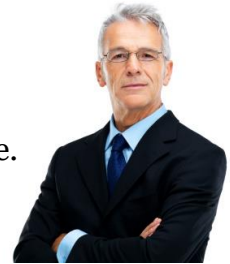
Name of Pawnshop	Verify Metals?	Weigh Metals?	Inspect Precious Stones?	Weigh Precious Stones?	Clean My Jewelry? *

\* Even if a loan is **NOT** made.



**7) What Experience Do Your Appraisers Have?**

How many years has the pawnshop's appraiser been in business?  
You want to work with appraisers with at least **five** years of experience.



**Appraisal Experience**

<b>Name of Pawnshop</b>	<b>Less Than 1 Year</b>	<b>1 to 2 Years</b>	<b>3 to 4 Years</b>	<b>4 to 5 Years</b>	<b>More Than 5 Years</b>

**8) Will I Get Notifications?**

This is an important question to ask. What will happen if you forget to make a payment? No one is perfect! You will know if you are dealing with a quality pawnshop if, out of courtesy to their customers, they send multiple notifications.

**Courtesy Notifications**

<b>Name of Pawnshop</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>More</b>

**9) How Will My Jewelry Be Returned To Me? When?**

Before you send your jewelry to the pawnshop as collateral for your loan, make sure you know how and when the pawnshop will return it after the loan is fully repaid.

<b>Shipping Notes</b>



## **One More *Thought***

It's a good idea to photograph your items before you send them. When your loan is paid off, make sure to inspect your valuables after you receive them and compare them against the photographs you took.

Contact the pawnshop immediately if you have any problems.

Thank you for downloading our handy guide. Please feel free to print and use it as your worksheet to help you navigate the world of online pawnshops.

Like all online transactions, there are going to be risks, but if you do your homework you can avoid many of the pitfalls and enjoy the convenience of receiving a pawn loan from the comfort of your home.

