CALIFORNIA PAWNBROKER SCHOOL
www.PawnBrokerSchool.com

Course handbook

A practical companion for California pawnbrokers

Optional study aid. Download, print or keep this booklet nearby. There is no handbook quiz, submission or completion requirement. Reading it does not change your course progress, score or counted instructional time.

1. Start every loan with a clear record

- **Identify the customer and item.** Follow the required identity checks. Describe the actual property, including relevant markings, serial numbers, condition and accessories. Connect it to one transaction record.
- **Use a compliant written contract and give the customer a copy.** The minimum pawn-loan period is four statutory months (120 days). Include the due date and required boxed redemption notice in the prescribed location and type size.
- **Make custody traceable.** Label and secure the item. Off-premises storage requires written agreement and the required disclosures; keep return arrangements clear.

2. Explain each charge

Choose the correct principal bracket and time period. Separate the opening compensation, later monthly compensation and each authorized fee. Apply the conditions and limits for each charge; a legal maximum is not a required price. Use the detailed course examples and current Financial Code schedules before quoting a total.

The $2,500-or-more rule is a limited exception for specified rates and charges. It does not remove every contract, notice, fee or federal-law requirement.

3. Treat replacement as a new loan

Check the effective date, settle the charges due, document the required consent and issue the replacement agreement through the proper process. Do not simply roll unpaid charges into a new balance. Review federal disclosures and military protections again when applicable.

Course: contracts, charges and replacement loans. Sources [1]: Financial Code §§ 21003, 21051, 21200-21201.6. Edition: October 7, 2026; companion to course Draft 1.12. This concise aid does not replace the full lessons or current law. Council approval is pending; the development course awards no approved credit or certificate.

Keep the clocks separate

Reporting, redemption, holds and ownership are different questions.

Notice and redemption

When an unredeemed loan expires without a mutually agreed written extension, follow the statutory notice process within one statutory month (30 days). Preserve proof of mailing or permitted electronic transmission. The notice provides 10 days to redeem from sending, with the required extension if the shop is closed on the tenth day.

Electronic notice is the customer's choice and has additional conditions. Merely collecting an email address does not meet them. At redemption, verify the amount paid, give an itemized receipt and follow the return deadline applicable to the storage location and any police hold.

CAPSS: report the item, protect the identity record

For covered acquisitions, report daily or by the next business day, excluding weekends and holidays, unless a documented exception applies. Check the item description and transmission record. Do not delay the initial report just because a permitted later identifier update may be needed.

Keep the required customer identity, ownership/authority and fingerprint records securely. Current DOJ guidance uses "on file" in CAPSS person-identification fields; accurate property and transaction information still belongs in the report. The shop record and the CAPSS submission are separate records.

Before an item moves to sale or release

- **Ordinary retention:** covered non-firearm property generally has a seven-day hold beginning with the CAPSS report. A conditional five-day sale exception and a pledgor-redemption exception have specific limits. Firearms follow separate rules.
- **Police hold:** retain the written notice, track renewals and follow the statutory release process. Do not treat ordinary retention expiring as permission to ignore an active police hold.
- **Seizure or ownership claim:** preserve receipts, notices and deadlines. Escalate competing claims promptly; custody alone does not decide ownership.
- **Bankruptcy:** flag the ticket, preserve the property and promptly refer the filing details for legal review before collection, forfeiture or sale. The automatic stay generally begins at filing; pawn exclusions and timing rules need case-specific review.

Course: notices, reporting, retention, police holds, claims and bankruptcy. [1] Financial Code §§ 21201-21204, 21206.7-21208; [2] BPC §§ 21628, 21630, 21636-21638.5, 21647; [3] DOJ CAPSS; [4] 11 U.S.C. §§ 108, 362, 541.

Money and borrower protections

A clear ticket is only one part of a compliant transaction.

Cash receipts and Form 8300

More than $10,000 in reportable cash received in a trade or business in one transaction or related transactions generally triggers Form 8300. Track linked payments rather than looking at each receipt alone. Money paid out as a pawn loan is different from money the business receives.

Currency counts as cash. Certain monetary instruments of $10,000 or less can also count, depending on the transaction and applicable exceptions. Do not assume every payment method is cash, or that every check is excluded. Never suggest splitting payments to avoid reporting.

Generally file within 15 days after the triggering receipt, applying the weekend/holiday rule. Retain the form for five years. Required filings generally need a customer statement by January 31 of the following year; voluntary suspicious-activity filings have different statement rules. Check current electronic-filing instructions and document missing-information follow-up.

Precious-metals anti-money-laundering rules

Review pawn activity separately from outright purchases and other dealer activity. A pawn-activity exclusion does not automatically exempt the whole business. Covered goods, purchase sources and annual qualifying purchases and sales affect coverage. A covered dealer needs a written, risk-based program with responsible oversight, training and independent testing. Form 8300 remains a separate obligation.

Truth in Lending and fair treatment

For covered credit, deliver the required disclosures clearly, in a form the customer can keep, before consummation. Use the correct finance-charge and APR calculations; a monthly rate is not an APR. Apply consistent, lawful lending criteria and avoid promises or advertising the shop cannot support.

Military customers

For covered borrowers and covered credit, the Military Lending Act limits MAPR to 36% and imposes disclosure and contract requirements. MAPR is not necessarily the ordinary APR. Verify coverage through the proper process; do not guess from appearance or veteran status. Review SCRA requests and enforcement restrictions separately, including protections for qualifying pre-service obligations.

Practical habit: assign an owner and deadline to every reporting or legal-review task. Keep the supporting facts, the decision and evidence of completion together.

Course: cash reporting, Form 8300, dealer AML, lending and military protections. [5] IRS Form 8300 instructions; [6] 31 CFR Part 1027; [7] Regulation Z, Regulation B, 32 CFR Part 232 and SCRA.

Protect people and records

Build routines that another employee can follow.

Customer information and electronic records

- Give staff only the access their work requires. Use individual accounts, strong authentication and secure storage; remove access when roles change or employment ends.
- Covered financial institutions need an implemented written information-security program. Include paper records, exported files, devices and service providers. A vendor does not take over the shop's responsibility.
- Review CFPB Regulation P and California financial-privacy law before sharing customer information. California generally requires prior consent for nonaffiliated sharing unless a statutory exception applies. Check notices, customer choices and exception conditions; an opt-out link or vendor contract alone is not universal permission.
- Keep electronic-delivery consent separate. Preserve the version delivered and evidence of delivery; an electronic signature does not prove every required consent.
- Use a retention schedule for each record type. Do not delete required records because a general cleanup rule says to. Report suspected incidents promptly through the incident plan and preserve evidence; notification duties depend on the facts and applicable law.

Workplace safety and secure storage

Maintain the applicable site-specific workplace violence prevention plan, reporting procedures, incident records and employee training. A public-facing shop is not exempt simply because it has few employees. Required training includes access to questions and answers with someone knowledgeable about the employer's plan; this course alone does not supply that interaction.

Use calm language, allow personal space and get help when a situation escalates. Follow the shop's emergency and robbery procedures; prioritize people. Review alarms, cameras, access and opening/closing routines with qualified providers.

Store jewelry in a suitable burglary-rated commercial safe, installed and used consistently with the security plan and insurer's requirements. A fire-resistant document box or ordinary locker is not equivalent burglary protection. Record each item's movement and reconcile custody.

Hiring and records

Use the current Form I-9. Section 1 is due by the first day of work for pay; Section 2 is generally due within three business days after that first day, with a special rule for shorter hires. Let the employee choose acceptable documents. E-Verify does not replace Form I-9, and a pending mismatch is not grounds for adverse action.

Sources: [8] CFPB Regulation P; California Financial Code sections 4053, 4056; FTC Safeguards Rule. [9] Cal/OSHA workplace violence resources. [10] USCIS I-9 Central. Security routines must fit the shop; this handbook prescribes no universal safe rating.

Identify, evaluate and document

Use the right tool for the question you need answered.

Jewelry and metal testing

Inspect markings, construction and condition before testing. A stamp is a clue, not proof. Touchstone/acid testing is a screening method with limits, especially for plated or mixed-metal items. Use competent supervision, the kit instructions and safety data sheet, suitable protective equipment and customer permission where appropriate. Stop when results conflict; obtain a more suitable test.

Separate gross item weight from estimated metal weight. Keep units consistent and account for stones and nonmetal components. Describe gemstones and metal accurately, including known treatments, laboratory-grown material or plating as required. Save the test method, result and limitations against the item identifier.

Modern tools: a useful starting point

Google Lens	Find possible identities and search terms. Confirm against the actual markings, specifications and condition.
eBay sold listings	Compare several actual sales with similar condition and accessories. Unsold completed listings are not sale prices. Allow for fees, shipping and repairs.
Rapaport	Use an authorized current reference and verified grading inputs. A benchmark or asking-price guide is not a guaranteed sale price or loan value.
Entrupy / Real or Not	Consider these options for supported handbags or luxury goods. Check category coverage and submission requirements; match the final result to the actual item.
GIA / JAGI Lab	Choose a service for the question: identification, grading or appraisal. Check the report's scope. Appraisal/replacement value differs from resale or pawn-loan value.

Build a useful professional network

Keep trusted contacts for specialty items, repairs, laboratories, legal questions and security. Confirm experience, scope, costs and turnaround before sending an item. Share knowledge while protecting customer information and making independent pricing decisions.

Course: gold/silver testing, jewelry descriptions, and Business Networking & Modern Tools. [11] GIA touchstone guidance and FTC Jewelry Guides; [12] the course lists current tool/provider links. Providers are examples, not endorsements or blanket guarantees of authenticity, value or insurance coverage.

A quick shop check

Recommended practice checklist. It is not an assignment or a legal clearance.

- [ ] Contract, customer identity and item description agree.
- [ ] Charges are supported and explained; disclosures are complete.
- [ ] CAPSS reports and corrections are documented and on time.
- [ ] Notice, redemption and hold dates are tracked separately.
- [ ] No unresolved hold, ownership claim or bankruptcy issue is overlooked.
- [ ] Cash-reporting tasks have an owner, deadline and filing record.
- [ ] Customer records and valuable inventory are secured.
- [ ] Staff know who handles incidents and urgent questions.
- [ ] Licenses, renewals and approved-education requirements are tracked.

Where to check the details

Click a source below in the PDF. On paper, use the agency/site and section names. The website's Sources & practical guidance panel contains the full course references and updates.

[1] California Legislative Information - Financial Code, Division 8; contracts, charges, licensing and education.

[2] California Legislative Information - Business and Professions Code, Chapter 9, Article 4; reporting and holds.

[3] California DOJ - CAPSS Resources; current reporting guidance and technical specifications.

[4] U.S. Code - Title 11, Bankruptcy; §§ 108, 362 and 541.

[5] IRS - Instructions for Form 8300; cash, deadlines, retention and statements.

[6] eCFR / FinCEN - 31 CFR Part 1027; precious-metals dealer AML coverage and programs.

[7] CFPB - Regulations Z/B; servicemember resources cover MLA and SCRA.

[8] CFPB / California / FTC - Regulation P; Financial Code sections 4053 and 4056; FTC Safeguards Rule (16 CFR Part 314).

[9] Cal/OSHA - Workplace Violence Prevention for General Industry.

[10] USCIS - I-9 Central; current form, instructions and employment verification.

[11] GIA / FTC - Touchstone testing guidance (GIA); Jewelry Guides (16 CFR Part 23).

[12] Pawnbroker School - Full lessons, law updates and modern tool/provider references.