

Are you temporarily not having enough money?

Express Loan – The ambulance for your finance!

There comes a time in everyone's life when you temporarily go through a rough patch and do not have enough money, but urgently need it! It could be holiday time when your salary is only two weeks away and there is no money left to buy gifts for the children, worse still, some swindlers have stolen your money. You are lucky if you have friends who could lend you some cash, but if you don't like borrowing money from your friends, approaching a pawnshop would be a good idea.

What is a pawnshop and what are the main principles it functions under, we asked **Vadim Androsov**, Doctor of Economics, member of New Zealand Association Licensed Secondhand and Pawnbrokers Dealers, Director of Pawnshop group ANDROS FINANCIAL LTD (trade name "EXPRESS LOAN").

Today everyone knows that a loan can be borrowed from a bank but not many know how to get credit from a pawnbroker. What is better and what is the difference between a loan from a pawnshop and a bank loan?

Well, it depends on several factors: Firstly - how soon you need the money, secondly - how much money you want to borrow and thirdly - for which term are you going to borrow money. As with banks, pawnshops work in the financial market as well. But the banks and the pawnshops have their own individual client base which is well outlined. Moreover both of them supplement each other.

Employees of our pawnshops always recommend clients to approach a bank if employees are looking at borrowing a large sum on a long term. The bank will check up your solvency and after a while offer credit if you meet their requirements. But for all this, the time factor is necessary. Therefore, if temporary money is urgently needed and you do not have time for a procedure in a bank - it is a good idea to temporarily borrow the necessary sum of money from a pawnshop.

As for the difference between a bank loan and pawnshop loan, there are three major points: interest, term and amount of loan. Bank interest rates are lower, than that of a pawnshop. That is due to the fact that irrespective of the sum of the loan, the employee of a credit institute (bank or a pawnshop) spends the same quantity of time for registration of the credit (working on a computer, listing and signing of contracts, forms, wages and salary of the personnel, property body corporate fee, an electricity etc.). In other words - in both cases, a bank and a pawnshop, the expense will be identical for registration of credit. However the income that a bank receives from say a loan of \$ 1 million and the income a pawnshop receives from a \$ 100 loan for 30 days, is extremely different. Besides that, a pawnshop keeps the object of pledge in the pawnshop's depository and insures it at full cost. All this amounts to additional pawnshop expenses. That is the reason why the interest rates on a bank loan are lower than that of a pawnshop.

It's quite another matter if you immediately need a small amount of money, for instance \$300 for a short term, like for two weeks. In this case, it makes more sense to approach a pawn shop especially if you are running short of time and if you require a small amount. Since the bank's fee perhaps will be higher than that sum of loan. Pawnshop that's "a horse of a different colour" because a pawnshop will give you any amount

almost instantly. **(The question appears almost involuntarily) What are the kind of interest rates in a pawnshop?**

It depends on the amount of loan taken. Which means, the greater the sum you borrow, the less the interest you will pay. As mainly our customers borrow a small amount usually for a short term - the interest rate does not look frightening. For example if you have borrowed \$300 for a week - interest on loan during seven days will be only \$16.

Yes, it is really not too much and it is a very convenient service. What are the things that can be pawned?

Gold and silver jewellery, computers, tools, audio and video equipment, automobiles, boats and other things by negotiation if they have a real market value.

Who estimates a pledge?

Our pawnshops have qualified employees and modern software. They can estimate the value of an object that is being pledged depending on its market cost.

It would be desirable to inform our potential clients, that in our pawnshop we try to offer the most favourable conditions according to a subject of a pledge. We give the greatest possible sum of the credit proceeding from the market price of a pledge. For example, if you bring us a 9 Ct gold ring, in weight 5 gram, with three small (up to 0,1 Ct.) brilliants you can receive about 400 dollars under that pledge.

Whilst calculating the amount of credit which you can receive in our pawnshop we evaluate the market cost of a thing and make an offer that is approximately 50 % of its market value. If your pledge costs 1000 dollars, our appraisers will offer you 500 dollars.

Also, we charge our clients only for the actual time of using the credit. So for example, if you have borrowed money for 30 days, but after 14 days you decide to redeem your pledge since your situation has changed, we will welcome it and you



They will lend any amount almost instantly without time consuming formalities.

will pay interest only for 14 days. We do not charge any penalty for that either.

Today in our city we have several pawnshops operating. How does one choose one?

I can't give you any standard recipe, because everyone has their own opinion. Use your own experience make a comparison. If you find that the valuation done is not the real market price for your pledge - try finding other pawnshop. Also check how the interest rate will be charged if you come back earlier than the stipulated time. If a pawnshop asks you to pay for 30 days when you use a loan only for 14 days - try to find another pawnshop, the next time.

It would be a good idea to check if a pawnshop owns a premise and does not have to pay rent because rent is basically the biggest expenditure for any organisation. It is always better if a pawnshop has its own infrastructure. If a pawnshop does not have to pay rent - it will be able to offer better services and you can be rest assured that you are dealing with a solid company. Your pledge will be safe and sound.

For instance, the ANDROS FINANCIAL LTD as Licensed Pawnbroker, Licensed Secondhand Dealer and solidly established New Zealand owned Company, is able to offer Express-Loans with competitive service. Our company is located in its own property at the old Auckland Village Remuera-Meadowbank.

Where is it possible to get more information about your pawnshops?

You can log on to www.ExpressLoan.net.nz or call us on 09-521 6296 or come to the Meadowbank Shopping Centre, 35 Y, St. Johns Rd., Meadowbank, Auckland.

What happens when a client cannot pay back on time? In that case is it time to say "goodbye, my pledge"?

Not at all, if borrower has been unable to redeem his pledge on time, we will wait for him or her for six more months. If borrower has not redeemed the pledge in six months time frame-the pledge will be sold by public auction.

A small piece of advice - borrow the amount of money which you really need. We are proud to say that 95 % of our customers redeem their pledge. Probably it occurs because we try to explain to our clients, that if you need money urgently we offer ways - to sell your thing or pawn it and receive the loan. We try to discourage the client from selling their possessions mainly because in spite of our attractive conditions of estimation we do not give the client 100 % of the real market price. The slogan of our pawnshop is, "Why sell your items when you can use them as a security or a 'pledge' for your loan?" This means we give you money and we keep your pledge till the time you are ready to redeem it.

Very interesting. Earlier I had an opinion, that a pawnshop is not an attractive place but today as I see the interiors of your pawnshop must say it looks like a bank office or a well designed fashion shop .

Thanks, I hope so. We are trying to change people's opinions regarding pawnshops being a place which trades in things of a doubtful origin and doubtful quality. 90 percent of the things that you see in our shop are new things, such as beautiful crystalware, products from a stone of malachite, green stone and magnificent oil paintings by European artists.

Thanks for the interesting conversation.

Thank you indeed.



MEADOWBANK SHOPPING CENTRE

35Y St Johns Rd

Meadowbank 1005, Auckland

Phone 09 521 6296

OPEN: Monday to Friday 9.30am-5.30pm

Saturday 10am-2pm

Late night Thursday till 7pm

www.expressloan.net.nz

