

Payday Loan Pay Back

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One year ago when the attorney general said payday loans didn't need to be paid back, it sounded too good to be true.

One Benton woman is finding out this week that it was too good to be true.

Here's Seven-On-Your-Side's Jason Pederson.

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Last March Attorney General Dustin McDaniel not only wanted to put all Arkansas payday lenders out of business, he wanted them to hurt on the way out.

(Attorney General Dustin McDaniel/March 2008) "Forgive all outstanding loans, close their doors, cease any collection efforts and not issue any more loans. That's pretty strong."

Barbara Eldridge had a payday loan out at the time.

(Barbara Eldridge/Benton) "I was a little shocked. Because I usually end up having to pay all my bills."

Barbara didn't know it, but the attorney general's forgiveness did not apply to all outstanding payday loans. Her loan was taken out at cash advance of Benton.

The store was one of about 50 operating in cities across the state under the names Cash Advance or American Check Cashers. The home base for all these offices was South Dakota, not Arkansas.

Still it has been over a year since Barbara took out her loan. Then on Monday close to \$500 was taken out of her checking account without her permission or knowledge.

(Eldridge) "I said well why didn't you notify me? And he said well I don't need to. The Attorney General gave me permission to collect this money."

Actually the attorney general's office says Mount Rushmore Loan Company in Sioux Falls South Dakota was recently told to stop making loans in Arkansas and cease all collection efforts by February 28th.

Barbara's case is being investigated.

If you have a payday loan you think has been forgiven, keep an eye on your account.



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