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## **Last payday lender leaves state**

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Arkansas News Bureau

LITTLE ROCK — Opponents of payday lending in Arkansas announced Tuesday that the last such business charging high interest for short-term loans has left the state.

The demise of the payday lending industry comes eight months after the Arkansas Supreme Court ruled that a 1999 law that authorized the practice violated the state constitution, and 16 months after Attorney General Dustin McDaniel issued cease-and-desist letters to payday outlets, accusing them of violating Arkansas' usury limit set by the constitution.

In March, 2008, there were 237 payday lending operations in the state.

“This is a big deal,” said Deputy Attorney General Jim DePriest. “We are exceptionally pleased that it took just over a year to accomplish what we set out to do.”

“Payday lenders ultimately recognized that their attempts to justify their existence and continue their business practices weren't going to work.”

DePriest told a reporter that three of the six lawsuits filed against the lenders by the state remain active because the companies, which did stop lending money, are still trying to collect payments.

Members of Arkansans Against Abusive Payday Lenders held a news conference today outside First American Cash Advance in southwest Little Rock, the last payday lender in the state, which closed all its stores July 31.

“Payday lending is history in Arkansas, and it is a triumph of both conscience and constitutionality,” said Michael Rowett, the group's chairman.

Arkansas Democratic Party Chairman Todd Turner, an Arkadelphia attorney who represented dozens of payday lending victims in cases that ultimately led to last year's high court ruling, said consumers ultimately are better off without payday lending.

“In Arkansas, it was a legal issue of following our constitution, but there's a reason why all these other states don't allow payday lending — it's inherently predatory,” Turner said. “Charging 300 percent, 400 percent and even higher interest rates is, as our Supreme Court accurately noted, both deceptive and unconscionable.”

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