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Bill for lawmakers to set some loan rates dropped

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LITTLE ROCK, Ark. (AP) - A state lawmaker is dropping his bill to allow the Legislature to set the interest rate limit on small loans to allow for more study.

The Senate Insurance and Commerce Committee on Tuesday referred the bill by Republican Sen. Michael Lamoureux of Russellville to an interim study.

The bill would allow the Legislature to determine the interest rate on loans of \$5,000 or less if three-fourths of the members of both the House and Senate approved. It's supported by installment lenders who say it would help them offer loans to Arkansans with poor credit.

The bill faced heavy opposition from consumer groups and the attorney general's office who said it could lead to predatory lending practices.

The current interest rate limit in Arkansas is 17%.

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