

Bill for lawmakers to set some loan rates dropped

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LITTLE ROCK, Ark. (KTHV) -- 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.

Tuesday **House Bill 1846** and **Senate Bill 568** were pulled for review. The two bills would've given lawmakers the opportunity to change interest rates on loans less than \$5,000.

Lobbyists claim the purpose of both bills is to drum up conversation between lawmakers.

"We have a vast population that can't access credit that's generally available to everyone else," says former House Speaker and lobbyist Robbie Wills.

Wills says 49 other states currently legislate small loan interest rates, and without action struggling Arkansans stand no chance.

"The irony is that if someone has poor credit they're not able to get a bank loan or a credit card, but the only way to improve

your credit is to get a bank loan or a credit card. Right now there are no options out there for people that fall into that category," says Wills.

Senator Michael Lamoureux, of Russellville, served as a sponsor for both bills, but was unavailable for comment Tuesday.

Both bills are heavily opposed by Attorney General Dustin McDaniel, who says Tuesday's news is a huge victory.

"This is a chance to charge people substantially higher interest rates than what our constitutional limits are now," says McDaniel.

Currently, the state has an interest rate cap of 17 percent and though supporters say they would not intend to exceed that limit, the opposition is skeptical.

"Just because it may be structured a little differently or called something different, if it flies like a duck and quacks like a duck then sometimes it's just a duck," McDaniel

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