

[En español](#)[Home](#) ★ [About the Office](#) ★ [Contact Us](#) ★ [Consumers](#) ★ [Crime and](#)[News Releases](#) | [Consumer Alerts](#) [NEWS FEED](#) [What is RSS?](#)**Monday, Jun 20, 2011****MCDANIEL SUES COLLECTION AGENCY OVER DATA ON PAYDAY LOAN DEBT COLLECTIONS**

LITTLE ROCK -- Attorney General Dustin McDaniel announced today that he has filed a lawsuit against a Kansas-based debt collection agency that has refused to fully answer two formal investigative requests regarding the agency's practice of collecting on payday loans.

The suit against National Credit Adjusters LLC of Hutchinson, Kan., asks the Pulaski County Circuit Court to compel NCA to fully respond to the Attorney General's Civil Investigative Demands. The limited information provided by NCA shows that the agency is seeking to collect old payday-lending debts. Payday lending is illegal in Arkansas.

This action is part of the Attorney General's continuing effort to combat predatory lending in Arkansas.

"We have successfully stopped usurious storefront payday lending in this state, and to date we have also shut down more than 30 online payday lenders, yet the ripple effects from this illegal business continue to harm Arkansas consumers," McDaniel said. "Our office will continue its effort to prohibit activities related to payday lending, whether it's by pursuing online payday lenders or a company like this, which is trying to collect on debts that were illegal in the first place."

According to the suit, NCA purchases the right to collect on delinquent obligations from either the original creditor or a third-party owner of the debt. NCS claims to own accounts originating from a number of payday lenders, including: Advance America, Check into Cash, Check N' Go, Ace Cash Express, BMG Accounts, Cash Central, Cash Net, Internet Payday, Global Payday, Internet Payday Loans, Rapid Cash for You, Sonic Cash Payday Loans, and FNS Payday Loans. The Attorney General maintains that debts from these types of lenders are not enforceable under Arkansas law.

The suit asks the Court to prohibit NCA from collecting from Arkansas consumers until it answers the investigative requests and provides all requested documentary evidence.

Consumers who are having problems with debt collectors attempting collection on a payday loan may call the Attorney General's Consumer Hotline at (501) 682-2341 or (800) 482-8982. Visit the Attorney General's office on the Internet at www.arkansasag.gov.

###