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## State AGs

THURSDAY, JULY 19, 2012 5:55:00 AM

### Ark. AG files suit over debt collection

BY NICK REES

LITTLE ROCK, Ark. (Legal Newsline) - On Tuesday, Arkansas Attorney General Dustin McDaniel filed a consumer protection lawsuit against a Kansas-based debt collection agency that allegedly sought to illegally collect on payday loan debts.

National Credit Adjusters LLC of Hutchinson, Kan., allegedly violated the Arkansas Deceptive Trade Practices Act by attempting to collect on payday and high-interest installment loan debts that were usurious, unconscionable and void under Arkansas law.

NCA purchases the right collect on delinquent debt, including a large number of payday and high-interest installment loan debts. Payday and high-interest installment loans carry exorbitant interest rates exceeded by the amount allowed by Arkansas law, McDaniel says.

In his suit, McDaniel alleges that NCA misrepresented to Arkansas consumers that payday and high-interest installment loan debt was enforceable and collectable when it was not.

The lawsuit seeks an injunction to prohibit NCA from violating Arkansas law, as well as to cancel outstanding usurious loan contracts and to order NCA to return any money collected based on payday or high-interest installment loans to Arkansas consumers. The suit also seeks civil penalties and costs.

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McDaniel