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**Tuesday, Jul 17, 2012**

### **ATTORNEY GENERAL FILES SUIT AGAINST DEBT COLLECTION AGENCY**

LITTLE ROCK - Attorney General Dustin McDaniel today filed a consumer-protection lawsuit against a Kansas-based debt collection agency that has illegally sought to collect on payday loan debts in Arkansas.

The Pulaski County Circuit Court lawsuit claims that National Credit Adjusters LLC of Hutchinson, Kan., violates the Arkansas Deceptive Trade Practices Act in its attempts to collect on payday and high-interest installment loan debts that are usurious, unconscionable and void under Arkansas law.

McDaniel's suit alleges that NCA misrepresents to Arkansas consumers that debt originated by payday lenders and high-interest installment lenders are enforceable and collectable when, in fact, they are not.

"We will do our part to protect Arkansas consumers from the illegal actions of the payday lending industry and those entities associated with it," McDaniel said. "Though we have successfully shut down storefront payday lenders, we will continue to aggressively pursue online lenders who violate Arkansas law or collection agencies like this that attempt to collect on illegal debt."

NCA purchases the right to collect on delinquent debt, and in doing so, has purchased a large number of debts from payday loans and high-interest installment loans. These types of loans carry exorbitant interest rates that greatly exceed the amount allowed by Arkansas law.

McDaniel asked the Court to issue an injunction prohibiting NCA from actions that violate Arkansas law, cancel outstanding usurious loan contracts and order NCA to return to Arkansas consumers any money collected based on payday or high-interest installment loans.

In addition, McDaniel seeks civil penalties and costs.

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