



The Dow Jones
industrial
average closed
at 10,471.47.

BUSINESS & FARM

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Arkansas Democrat-Gazette

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ARKANSAS ONLINE www.ardemgaz.com

FRIDAY, JANUARY 21, 2005

NEWS IN BRIEF

High court sends case on payday law to judge

The Arkansas Supreme Court on Thursday directed a Pulaski County circuit judge to hear a case concerning the constitutionality of Arkansas' Check Cashers Act.

The Supreme Court, however, declined to make a ruling on whether the act, passed in 1999, is constitutional. Opponents of the act, which established a state licensing board for payday lending companies, had hoped the Supreme Court would rule on the constitutionality of the act.

The act says that fees charged for payday loans "shall not be deemed interest." Those loans often range well above 300 percent annually, which otherwise would far exceed the constitutional cap on interest, currently 8.25 percent a year.

Check cashing companies typically agree not to cash a customer's check for two weeks if the customer pays a high fee for the service. If the customer cannot buy back the check in two weeks, they are charged another fee.