




The Dow Jones
industrial
average closed
at 10,565.39.

-64.28

BUSINESS & FARM

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TUESDAY, MARCH 22, 2005

Lending bill defeated in Senate panel

A state Senate committee defeated a bill Monday that would have allowed for a \$300 fine for anyone convicted of charging more than 17 percent annual interest on a consumer loan.

The vote on the bill, titled An Act to Create the Offense of Unlawful Consumer Loans, was tied, 3-3, in the Senate Judiciary Committee. It required four votes to pass.

One target of the bill was the payday lending industry, as well any other forms of what critics call predatory lending.

Committee members questioned whether the bill would affect the rent-to-own industry. Proponents of the bill said it could if any loans made were above 17 percent interest.

Another bill, sponsored by Sen. Tracy Steele, D-North Little Rock, would make it illegal for payday lenders to make loans of less than \$3,000. That bill has not been voted yet in committee.