

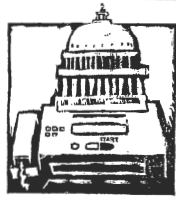
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EDITORIALS

How to spin

Letter from a soft-sell crab

WE HAD to admire the fine touch Mark Pryor's PR man displayed in that snooty letter of his we published on the opposite page last Friday. In it, he upbraided us for daring to mention Senator Pryor's record, specifically the senator's record on payday loans. That's the kind of loan that costs the poor sucker an outrageous interest rate (typically 373 percent a year if you pay \$50 interest on a \$350 loan for two weeks) plus possible fees. And then the loan is rolled over when the poor sap can't come up with the money next payday . . . until he—or she—is in debt approximately forever. And to think, all Shylock asked for was a pound of flesh.

One study out of Illinois reports that the average number of rollovers on these loans is 13. After a \$300 loan plus \$60 in interest is rolled over 13 times, the borrower may have paid as much as \$780 in fees—and still owe the original \$300. Quite a racket.

We'd made a passing reference to Mark Pryor's role in legalizing this newest form of indentured servitude in Arkansas at the end of our April 18th editorial denouncing the payday lenders' latest scam—tax anticipation “loans” that are more like rip-offs. The whole, revolting subject reminded us that one “of the few memorable things Mark Pryor did as Arkansas' attorney general and U.S. Senator-in-waiting was to go easy on loan sharks, having collected his share of campaign contributions from them.”

That was enough to prompt a whine from Mark Pryor's man, who objected, ever so smoothly: “We may not agree on the steps Senator Pryor took to fight predatory lending practices when he was state Attorney General, however, I hope we could agree that your readers deserve a fair and accurate portrayal of all the Senator's actions on this issue, not just a selective recollection.”

That's the point at which our jaw dropped: *The steps Senator Pryor took to fight predatory lending practices . . .* What steps? A routine consumer warning now and then? The only significant step he took was to help enshrine this racket in state law—despite the best advice of a couple of dedicated staffers in the attorney general's office who'd spent years trying to prevent these loan sharks from taking root in Arkansas. All of which takes some of the shine off any claim to sainthood his PR guy may be trying to make for the senator now.

WE MAY not agree on the steps Senator Pryor took to fight predatory lending practices . . .

You gotta admire a guy who can start a sentence with those words, and keep a straight face while doing it. As a summation of Mark Pryor's record in Arkansas, that fleeting description of it is about as fair and straightforward as those predatory loans he was supposed to have been fighting years ago. Talk about a “selective recollection of the facts,” this letter to the editor would be hard to beat in that department.

But that's not all Senator Pryor's PR man was unhappy about. It seems our editorial hadn't mentioned that, just days before it ran, “Senator Mark Pryor publicly announced that he was co-sponsoring the Taxpayer Protection and Assistance Act, legislation especially aimed at cracking down” on this racket.

Cracking down? A quick look at Section 7530 of the act (“Refund Anticipation Loan Facilitators”) reveals that it consists almost entirely of disclosure requirements, and nothing that would actually outlaw this form of legalized usury. The bill doesn't affect predatory loans in general, but only the ones connected with tax refunds, and it doesn't even prohibit those. The bill does make those who do the paperwork for the loans pass a competency exam, but that's about it. And for this, Mark Pryor's slack wants a favorable mention of his boss, or maybe a medal. To quote one of our favorite moral authorities, the Church Lady on the old *Saturday Night Live* show, “Well, isn't he *SPE*-cial?”

Section 7530 is fine as far as it goes, which is not very. It certainly doesn't come anywhere near making up for the senator's role in unleashing these parasites on Arkansas in the first place.

If the junior senator from this state were interested in going to the root of the problem, and actually putting these sabre-tooth lenders out of business, he'd be co-sponsoring a bill that would require the FDIC, the agency that insures deposits, to prohibit state-chartered banks from partnering with these payday lenders. This bill he's co-sponsoring now is nothing but a tap in the general vicinity of the wrist.

No amount of PR can substitute for real reform. But we do have to admire this press aide's slick way with words. He's so good at it he could have been part of Team Clinton.

A confession: When this slickster called us to complain about our bringing up his boss' record, we invited him to air his grievance in a letter to the editor. Even then, we had a pretty good idea he'd provide us with some delicious grist. Sure enough, he did. His letter not only described this mildest of reforms as some kind of crackdown, but it had that snippy air of baseless condescension and faux helpfulness so familiar among lower-downs inside the Beltway: “Please do not hesitate to contact our office in the future before criticizing or (dare we say) praising Pryor in your editorials to prevent such oversights in the future.”

Beautiful. Especially that deft use of the conjugation known in Washington as the Congressional We, which conflates the flunky and his boss, as in “dare we say,” into one august, unquestionable first-person plural. It was all enough to remind us that one of the persistent problems with our public servants is that they tend to forget they're servants.

When we did take the senator's aide up on his kind offer to help, and called to ask if this bill would actually do anything to outlaw predatory lending, he could only confirm, after a lot of hemming and hawing and a little research, that it contains very little other than disclosure requirements. Some crackdown.

IT'S UNLIKELY that anyone desperate enough to apply for one of these loans/rip-offs is going to be deterred by a recital of what's in the small print. Predatory lending, like many another vicious ill in society, will not be wiped out by minimal measures and PR gimmicks. Stopping it will require something more and rarer: political leaders with the candor to recognize a cancer for what it is, and the courage to cut it out, not just soften it here and there around the edges. End it, don't mend it.

Alas, Mark Pryor has earned his reputation as a squishy moderate, especially on issues of principle. Which is a great pity, because if this is his idea of a crackdown, then these loan sharks have little to fear from either the senator or his snippy aide. If only the effort put into trying to minimize Senator Pryor's role in legalizing this racket were to go into fighting it, we might be spared impertinences like this one from his PR man.

As for the senator himself, he's never said a word to us about this less-than-shining chapter of his career as attorney general of Arkansas. We can understand that. If we were in his shoes, we wouldn't want to talk about it, either, but just hope that everybody would forget it. We, however, can't. Drawing lessons from the past is part of our job description.

Here's hoping that the senator and/or his estimable Communications Director will consider this editorial, too, an invitation to respond with another one of his/their juicy letters to the editor—so we can continue this conversation. For our part, we have just begun to write.