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ROBY BROCK'S BIZBLOG

SEARCH TALK BUSINESS

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Wednesday, November 22, 2006 - 11:14:15 AM

WATCHDOG GROUP SAYS PAYDAY LOANS STILL UNCHECKED

Arkansans Against Abusive Payday Lending (AAAPL), an advocacy group supporting changes in payday lending laws, released an updated study of the industry in Arkansas.

AAAPL says that its payday lending report shows roughly 45 percent of Arkansas' 265 payday lenders are still not being regulated by the state.

In March 2006, **AAAPL** released a study that presented the first comprehensive examination of how the payday lending industry operates in Arkansas. The March study showed that just 24 percent of the payday lenders operating in Arkansas were both licensed and regulated by the state.

"Recent actions taken by the Arkansas State Board of Collection Agencies (ASBCA) represent a step in the right direction in favor of Arkansas consumers," said Hank Klein, founder and president of **AAAPL**. "However, a regulation rate of 55 percent would still get an 'F' on any academic grading scale. While progress has been made, much more remains to be done. No payday lender in Arkansas should be allowed to operate without both a license to make payday loans and meaningful regulation by the ASBCA."

Payday loans are small loans, usually \$100 to \$500, made for an average of 14 days. A 14-day payday loan, if made in compliance with the Check Cashers Act of 1999, costs Arkansas borrowers 372 percent to 869 percent annually in interest, according to **AAAPL**. Article 19, Section 13 of the Arkansas Constitution, which governs usury, limits interest on consumer loans to a maximum of 17 percent annually. The constitutionality of the Check Cashers Act is being challenged in a case recently before the Arkansas Supreme Court.

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Wednesday, November 22, 2006 - 9:29:27 AM

ALCOA CUTS COULD IMPACT ARKANSAS

Alcoa has announced a major restructuring of its operations, a move expected to affect 6,700 workers worldwide.

Alcoa has operations in Hot Springs, Gum Springs, Magnolia, and Springdale, Arkansas and Texarkana, Texas. It is not clear at this time how affected any of these plants will be by the announcement and details specific to Arkansas operations have not been released.

Alcoa says it will restructure its downstream operations and create a soft alloy extrusion joint venture with the intention of eventually spinning it off through an IPO.

Alcoa will continue to operate its hard alloy extrusion business, which serves the aerospace, automotive, and selected other markets. Separately, **Alcoa** will begin the process to divest three of its soft alloy facilities not included in the joint venture. Those plants are located in Ohio, Georgia and Florida.



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