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### Payday lenders' pal

An Arkansas Blog reader who's a member of the Military Officers Association of America sends along a message from that organization about congressional activities. Heckuva job, Congressman Ross.

MOAA is disappointed, to say the least, that Reps. Kendrick Meek (D-FL) and **Mike Ross (D-AR)** are trying to persuade other House members to backtrack on legislative fixes last year to win a law change capping interest rates on loans to servicemembers at a 36-percent annual rate. That still sounds high, but it limited their potential profits enough that payday lenders have indicated they'll stop targeting military families unless the law is changed.

Payday lenders often target military personnel to lure them into short-term loans of a few hundred dollars at 400% interest, holding the borrower's signed personal check as collateral. When borrowers can't pay off the high-interest loans immediately, they're trapped into renewing them repeatedly. MOAA, The Military Coalition, the Defense Department, and a long list of consumer-protection organizations joined forces last year to win a law change capping interest rates on loans to servicemembers at a 36-percent annual rate. That still sounds high, but it limited their potential profits enough that payday lenders have indicated they'll stop targeting military families unless the law is changed.

Reps. Meek and Ross are trying to get Congress to reconsider the 36% rate cap.

MOAA and other military, civil rights, veteran, and consumer organizations have sent letters to Congress strongly objecting to the Meek/Ross proposal and urging Congress not to sell out the troops to serve this unsavory industry.

Posted by Max Brantley on February 5, 2007 08:15 AM | [Permalink](#)

### COMMENTS

I remember when one of the Right's favorite fiends, Ted Kennedy, tried to get our soldiers some protection from the crappy Republican bankruptcy legislation (well, not so crappy if you're on the predatory/banking side side of usury lending). Of course, the Republicans, once again, decided even our fighting/dying soldiers weren't worthy of protection. It's a sad statement of a country's priorities when even their fighting men/women aren't given a minute's respite from the loan sharks. My gosh, at least wait for em to leave the battlefield before turning em over to these predatory 'money changers.' (Better yet...compensate the 'average' soldier as well as those working for private entities such as Halliburton.)

What does it take to be a convicted loan shark these days?

Posted by: zelda | [February 5, 2007 08:48 AM](#)

It would appear my (NOT!) congressman needs his rear end kicked back to Prescott or where ever that drugstore is. Come on, all you political types --



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THIS WEEK'S



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...most of mine ever that disagree for some on, an you point types someone out there must be interested. And nobody, I mean nobody, better sell a house to Huck in this district.

Posted by: [Doigotta](#)  | [February 5, 2007 09:41 AM](#)

Hmmm...if the facts are straight...this is a pretty damning bit of news about Mike Ross. I haven't given it a good "think" this morning, but so far I can't think of one decent reason a legislator would be pushing to get rid of a ridiculously high cap unless they are 100% in the clutches of the Payday Lenders.

This is a rather large smoking gun, don't you think? It's sorta as bad as Mike Ross getting caught wearing a dress and make-up. Someone better start looking for a big yacht with Mike-Stir on the back cause I think our boy has sold out to the bad guys.

Or maybe, if we could be calm and sensible about all this Mr. Ross would explain that it's important to be able to charge members of our military far more interest than 36% because so many of our fine Payday Lenders are suffering large losses due to lots of soldiers being killed in Bush's War for Oil.

Kinda hard to get money from someone in a flag-draped coffin, huh? Bad people have bills to pay just like the rest of us, so we should pity the poor Payday Lenders unfortunate enough to loan money to a guy who gets splattered all over Baghdad.

I think we ought to give Mike Ross a chance to speak up and explain his actions before we tar and feather him and run him out of the state. Mikee.....what gives?

Posted by: [Deathbyinches](#)  | [February 5, 2007 09:46 AM](#)

I can assure anyone who has no military experience that pay lenders ala military is old hat and is nothing new. A ten for twenty loan is as old as the military. It was just conducted by citizens wearing the uniform. I never participated but many did. But no one MADE them use the loan shark system

Posted by: [Cato](#)  | [February 5, 2007 11:16 AM](#)

"But no one MADE them use the loan shark system"

I have a feeling you're capable of much better than this Cato.

Times were mucho different when we were in our 20's. Most GIs didn't have families, diapers, formula or cold medicine to buy. Just about everybody-unless your name was Cheney or Clinton-had an even shot at military service. Today's troops come from poor families in the inner city or impoverished rural south. Many have no other options in this Bush-Clinton NAFTR outsourced economy.

I know the Red Cross will never get a dime from me...selling what should have been a 25cent coke out on practice battlefields for \$1.50.

Posted by: [Lwood](#)  | [February 5, 2007 12:37 PM](#)

Call it a free market or whatever you want...it's still not right to prey on the poor. In fact, the unscrupulous practice of loaning money at exhorbitant rates use to be against the law. Now it seems the loan sharks have gathered in safe zones (Delaware is one, and Biden is their protector), bought themselves some lobbyists and re-invented their profession (except the part where they charge outrageous fees). They're even able to bypass archaic state Constitutions that frown on such practices.

Of course, people are free not to use their services...but that's a



disingenuous argument that ignores the realities of poverty and the power of the money lenders. And, of course, people should be able to charge a fair price for the lending of their money. But I think many of these lending agencies (from the payday lenders to some credit-card companies) have long passed the fair side of what they do.

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Posted by: zelda  | [February 5, 2007 01:18 PM](#)

how about 'exorbitant' rates

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Posted by: zelda  | [February 5, 2007 01:19 PM](#)

Oh yea, to my above post add that there are now 16,000 single mommies serving in Iraq. Not the same Army as 1966.

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Posted by: Lwood  | [February 5, 2007 01:30 PM](#)

Hey Mike, Al Capone would be impressed. Do you get a gold plated knee capper when your efforts come to fruition?

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Posted by: Eureka Springs, AR  | [February 5, 2007 01:40 PM](#)

Here's Mike Ross's phone numbers. Give him a call.

<http://www.house.gov/ross/contact.shtml>

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Posted by: Dennis  | [February 5, 2007 02:21 PM](#)

The new amendment is up for the payday lending bill.

<http://www.arkleg.state.ar.us/ftp/root/amend/2007/htm/HB1036-H3.pdf>

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Posted by: Dome Rat  | [February 5, 2007 05:06 PM](#)

As Gomer Pyle used to say, "Surprise, Surprise!"

Gomer might be surprised at Ross' carrying water for the loan sharks, but anyone who looked at Ross' campaign contributions wouldn't be.

Ross for his 2006 re-election campaign took \$15,500 from payday lenders--money he certainly didn't need to take, since he never at any point had serious opposition.

. \$4,000: ADVANCE AMERICA CASH ADVANCE CENTERS INC POLITICAL ACTION COMMITTEE, 10/27/06 (PAC for the nation's largest payday lender)

[http://www.fecinfo.com/cgi-win/x\\_ptoc.exe?DoFn=H0AR04038ROSS,\\$MICHAEL\\$A06](http://www.fecinfo.com/cgi-win/x_ptoc.exe?DoFn=H0AR04038ROSS,$MICHAEL$A06)

\$. \$4,000: W. Cosby Hodges of Fort Smith , 1/24/05 (\$1,000); 6/14/05 (\$1,000); 6/25/05 (\$2,000) owns or co-owns 32 payday lending stores

<http://herndon1.sdrdc.com/cgi-bin/fecimg/?25990478661>  
<http://herndon1.sdrdc.com/cgi-bin/fecimg/?25991031316>  
<http://herndon1.sdrdc.com/cgi-bin/fecimg/?25991031316>

. \$2,000: George Dean Johnson Jr. of Spartanburg , S.C. , 6/10/05, Co-founder and Chairman of Advance America 's Board

<http://herndon1.sdrdc.com/cgi-bin/fecimg/?25991031312>  
<http://investors.advanceamerica.net/directors.cfm>

. \$2,000: William H. Webster IV of Spartanburg , S.C. , 6/29/06 (\$1,000); 2/9/05 (\$1,000) Co-Founder and CEO of Advance America

<http://herndon1.sdrdc.com/cgi-bin/fecimg/?25990478663>  
<http://herndon1.sdrdc.com/cgi-bin/fecimg/?25990478663>

http://herndon1.sdrdc.com/cgi-bin/fecimg/?26930229741

. \$1,500: Robert A. Srygley of Fayetteville, 1/24/05 President of Washington County Financial Management; owns or co-owns 32 payday lending stores.

http://herndon1.sdrdc.com/cgi-bin/fecimg/?25990478658

. \$1,500: CASH AMERICA INTERNATIONAL INC. POLITICAL ACTION COMMITTEE , 11/13/06

http://www.fecinfo.com/cgi-win/x\_ptoc.exe? DoFn=H0AR04038ROSS,\$MICHAEL\$A06

. \$500: Graham Streett of Fayetteville , 1/24/05 Executive at Washington County Financial Management; Secretary of Arkansas Financial Services Association (lobbying group for Arkansas payday lenders); listed as secretary of multiple payday lenders on Arkansas secretary of state website

http://herndon1.sdrdc.com/cgi-bin/fecimg/?25990478659

Posted by: muckraker  | [February 5, 2007 08:42 PM](#)

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