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PAYDAY LENDING

The House chamber rejected a Senate bill regulating the payday lending industry after supporters of a tougher House bill that failed in a Senate committee spoke against it. They said it wouldn't protect poor borrowers and members of the military who take out the high-interest, low-dollar loans.

Senate Bill 923 would penalize "rollovers," or renewals, of payday loans, which Arkansas law already prohibits.

The bill would also allow payday lenders to deny the loans to military members, whom federal law will soon require be charged no more than 36 percent annual interest.

But opponents of the bill said it doesn't go far enough because it doesn't do anything to prevent payday lenders from charging exorbitant interest rates.

Johnson sponsored HB1036, which would have made it unlawful for anyone or any business to charge more than 17 percent in annual interest for a consumer loan, the maximum allowed by the Arkansas Constitution. The interest rates on payday loans amount to as much as 869 percent, supporters of that bill said. But Johnson said SB923 wouldn't address the high interest rates.

Bond, who represents Little Rock Air Force Base, said, "This bill does not help our active-duty military members." The bill failed 57-27.