

The LEADER
Saturday, May 12, 2007
To the Editor:

I'm writing to address some of the inaccuracies contained in Mr. Hofheimer's article "Opponents Fight Payday Lenders" published on May 2, 2007.

Hank Klein was quoted as saying that payday loans are made for an average of 14 days. He has no way of knowing that. That information can be gathered only by reviewing each payday loan stores' outstanding loans which was never done.

Similarly, the Center for Responsible Lending has no way of knowing what the "average" borrower pays in fees.

I am surprised that Mr. Klein, who claims to be a champion of consumer rights, would take pride in defeating "the industry's bill" in light of the fact that the bill contained provisions that would have benefited payday loan customers.

I don't know how or why Mr. Hofheimer or Mr. Klein would say that I had "a slow start." Mr. Hofheimer has not researched the issue and Mr. Klein did not meet me until 2004 which was three years after I became the regulator of check-cashers.

It is incorrect to say that I "took" Dennis Bailey to court in the last two weeks. I presented the allegations against Mr. Bailey to our Board in June, 2006 and, at the time, the Board ruled that Mr. Bailey was operating in violation of the law. (I wanted to prosecute Mr. Bailey earlier but Mr. Klein interfered with the case which, in turn, prevented me from getting the needed information sooner.) The recent hearing was Mr. Bailey's appeal of the Board's ruling.

Mr. Klein is again incorrect with his statement that the Board will hold a hearing involving American Cash Advance. There are no allegations of violations pending against American Cash Advance and no such hearing is scheduled. In fact, I do not know that such a company exists.

Again, there is no basis for Mr. Klein's statement that "payday lenders in Arkansas routinely make \$300, two-week loans" unless information has been obtained from each payday lender which I know he has not done.

Todd Turner is from Arkadelphia, not Fort Smith. Because the style of the case was not included in the article I can only assume that the article was referring to *McGhee v Arkansas State Board of Collection Agencies* which the Supreme Court of Arkansas remanded to Judge Barry Sims's court. The payment of surety bonds is not at issue in the case.

I would appreciate your publishing this letter so that your readers will have accurate information.

Peggy Matson
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