

Community Calendar

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Notice To Payday Lenders From Arkansas AG



Reported by: *Robin Thibault, KARK 4 NEWS*
 Tuesday, Mar 18, 2008 @11:12am CST



Attorney General Dustin McDaniel announced on Tuesday that he is sending letters to "payday lending" businesses operating under a license in Arkansas, asking them to stop the practice immediately. McDaniel defines "payday" lending as short term loans that charge interest in amounts that vastly exceed the usury limit imposed by the Constitution of the State of Arkansas. Based on the strength of two recent Arkansas Supreme Court opinions, McDaniel is advising payday lenders that charging exorbitant interest rates on these loans violates both the constitutional limit and the Arkansas Deceptive Trade Practices Act, a law enforced by the Attorney General. McDaniel demands that the payday lenders cease their lending practices immediately, void any

and all current and past-due obligations of their borrowers, and refrain from any collection activities related to these type loans. A failure to do so will likely result in the filing of a lawsuit by the Attorney General. According to a 2005 study by the Center for Responsible Lending, it is estimated that payday lenders cost Arkansas consumers \$25 million in fees and excessive interest each year. "These businesses have made a lot of money on the backs of Arkansas consumers, mostly the working poor. Charging consumers interest in the range of 300 to 500 percent is unlawful and unconscionable, and it is time that it stops," McDaniel said. "It is my hope that they comply with my demand but, if they do not, I stand ready to take them to court."

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[9 week old chihuahua \(no papers\) conway \(Pets & Animals\)](#) (conway, AR) \$100

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