

AG: Almost all of 156 payday outlets in Arkansas plan to close

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LITTLE ROCK (AP) - Attorney General Dustin McDaniel said Tuesday that most of the payday lending companies operating in Arkansas have said they will close in response to his threat last month to sue them if they continued to do business in the state.

McDaniel said his office received word from 52 companies that they will comply with the cease-and-desist letter he sent them. He said that based on news reports, consumer calls and other contacts, he believes another seven companies have stopped issuing payday loans.

The 59 companies account for almost all of the 156 payday lending locations that he targeted with the March 18 letter, informing the companies they were violating the state constitution by charging more than 17 percent interest, McDaniel said.

Last Friday was the deadline he gave for companies to respond. In the next few weeks, McDaniel's office will check on whether the companies have indeed closed as they said they would.

A news release from McDaniel's office said any businesses that continue to make high interest loans or collect on past loans will make themselves "prime targets for litigation."

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