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### Dustin McDaniel Says Some Payday Lenders May Still Face Lawsuits

By The Associated Press

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LITTLE ROCK (AP) \_ Some payday lenders in the state

that said they would shut down under threat of lawsuits are still operating or trying to collect outstanding debts, Attorney General Dustin McDaniel said Wednesday.

McDaniel said his office is trying to verify that 156 payday lending outlets that said they would shut down and stop collecting debts are complying with a March 18 cease-and-desist letter he sent them. McDaniel sent letters accusing the firms of charging high interest rates that violate Arkansas' constitution.

McDaniel's letter demanded that the firms stop issuing high-interest loans and forgive any outstanding debts. The attorney general told reporters Wednesday that some have not complied.

"There are some who I believe are still in business, there are some who are engaged in very aggressive collection efforts and there are some that probably should anticipate

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litigation," McDaniel told reporters Wednesday.

McDaniel declined to name any of the companies that he says could potentially face lawsuits.

The 156 payday lenders McDaniel initially targeted make up more than half of the 277 check cashers licensed by the Arkansas State Board of Collection Agencies. McDaniel's office said it focused on companies that offer "deferred presentment loans" where the business not only exchanges cash for a check but also agrees to delay the depositing of the check for a specific length of time.

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"I'm very pleased with what's been accomplished so far, but that doesn't change the fact that it's not going to be resolved overnight," McDaniel said.

Not all of the companies that responded to McDaniel have said they will close completely. Advance America, which operates 30 payday lending locations in the state, said it will restructure its business to comply with the law.

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