

Many Payday Lenders Still Open For Business

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One industry that is definitely on shaky ground in Arkansas is the payday lending industry.

In March the Arkansas attorney general ordered 156 payday lenders to stop making loans, void existing loans and abandon collection efforts. Has it worked?

The non-profit group Arkansans Against Abusive Payday Lenders has been tracking the compliance or non-compliance of the businesses so far targeted by the attorney general. The findings?

Of the 156 sent cease and desist letters, 101 payday lenders have done just that.

But the group believes many payday lenders remain open...in open defiance of the attorney general.

(Michael Rowett/Southern Good Faith Fund) "Many of these stores are going to call what they're doing restructuring. We call it a masquerade."

(Hank Klein/Arkansans Against Abusive Payday Lenders) "We made phone calls. We went into stores. We basically did the research to put this together."

The group believes 55 payday lenders...including the North Little Rock businesses you are seeing here...are still issuing short-term loans with exorbitant interest rates.

(Jim DePriest/Deputy Attorney General) "It is our goal to stamp out payday lending in the state of Arkansas. How the payday lender attempts to justify their existence or their business practices is not relevant."

Four payday lenders are being sued by the attorney general. More lawsuits are expected. The industry has not returned our calls for comment.

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