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MCDANIEL FILES SUIT AGAINST ONLINE PAYDAY LENDER

LITTLE ROCK – Attorney General Dustin McDaniel today filed a consumer-protection lawsuit against a Delaware-based online payday lending company, alleging the lender charged Arkansans exorbitant interest and fees in violation of state law.

The complaint filed in Pulaski County Circuit Court claims Sure Advance LLC , doing business as sureadvance.com, issued short-term loans with resulting annual interest rates of approximately 681 percent to Arkansas consumers. The extraordinarily high interest rates violate both the Arkansas Constitution and the state’s Deceptive Trade Practices Act, according to the Attorney General’s complaint.

“While we have successfully rid the state of storefront payday lending locations, saving consumers millions of dollars in illegal interest payments, these unlawful operations continue to infiltrate Arkansas via the Internet,” McDaniel said. “Our office will continue to seek out online payday lenders and take action to prevent them from doing business in our state.”

Sure Advance, based in Wilmington, Del., offers payday loans of up to \$1,000 through its website. The company has been the subject of several complaints from Arkansas consumers to the Attorney General’s Office, and the Better Business Bureau has given the company a D-minus rating.

According to the complaint, Arkansans who receive a \$400 loan from Sure Advance are required to pay \$106 in interest charges every two weeks. That results in an APR of 680.89 percent.

The lawsuit seeks to bar Sure Advance from offering or collecting upon high-interest loans. The Attorney General calls for the cancellation of all high-interest loans made by the defendants and the return of all payments to borrowers.

Arkansas consumers who are having problems related to online payday loans or debt collectors attempting collection on a payday loan may contact the Attorney General’s Consumer Protection division at (501) 682-2341 or (800) 482-8982. Consumer complaints may also be filed on the Attorney General’s website, www.arkansasag.gov.

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