

Current Conditions in Shreveport:

80°

HEAT INDEX: 81°
WIND: 6 SE
HUMIDITY: 50%



Community Calendar

<<- October 2008 ->>

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	




Click to Save on Area Dining Now!

Vote Your Opinion

Financial Trouble

Is the current financial crisis affecting your spending?

- Yes
- No

[View Results](#)
[View Other Polls](#)

Story Detail

Payday Lending Business Picks Up Across State Line

Reported by: *Karen Hopkins*
Friday, Oct 10, 2008 @03:58pm CST

People are driving to Texarkana, Texas to get fast cash. A crack down on payday lenders in Arkansas caused nearly all stores to close. In March, the state ordered lenders to lower outrageous interest rates and forgive debts. Stores have until October 15th to meet these requirements or close.

More than 200 payday lending companies have closed in Arkansas. Now business is moving across Texarkana's State Line. "Hundreds, literally hundreds of people are driving to Texas to get their loans now," says David Warrick, owner of Hope Cash Advance.

Mimi Perkins drove from Hope to get fast cash. "You have to travel all the way to Texarkana all the way to get a loan and I feel like we should have some business in Hope." Perkins says her family can't survive without payday loans. "Your check don't pay all your bills and you have to come and borrow it just to make ends meet."

The Arkansas Attorney General ordered payday lenders to lower interest rates. Arkansas's constitution has a 17 percent cap. Payday lenders charge 300 to 800 percent. "You really don't look at the interest rate when you really need the money ASAP," says Perkins.

Texas has less regulation on interest rates. "If you borrowed a hundred, you pay 110 is what we were charging in Arkansas. Texas allows \$20 per hundred," says Warrick. Warrick closed his payday shop in Arkansas. He says his Texarkana, Texas shop helps people make ends meet. "They had no way to get money from the bank and all we require is they have a checking account and a job."

Arkansas is against payday lending, saying the companies take advantage of desperate people. "If payday lenders were that interested in providing a service as they say they are, then they wouldn't be just closing shop and fleeing the state when they are finally required to charge a reasonable rate of interest," says Michael Rowett, chairman of Arkansas Against Payday Loans.

The state says they will encourage local banks to look into short term loans with reasonable interest rates.

[<< Back](#)