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State AGs

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Ark. AG against lending bill

BY JESSICA M. KARMASEK

LITTLE ROCK, Ark. (Legal Newsline) - Arkansas Attorney General Dustin McDaniel says he opposes a bill that would allow the state Legislature to increase the interest rate on loans less than \$5,000.

Aaron Sadler, a spokesman for the attorney general, told [The Associated Press](#) on Friday that the legislation would reopen the state to predatory lending and is "unfriendly to consumers."

McDaniel previously told the Arkansas Democrat-Gazette he was not opposed to the bill.

The state's current rate is set at 17 percent for such small loans.

The Arkansas Installment Lenders Association, an advocate of the measure, says allowing an increase in the interest rate would mean more options for those residents who have bad credit.

According to the AP, the bill would require the support of three-fourths of both legislative chambers. A second bill would specifically set the interest rate.

From Legal Newsline: Reach Jessica Karmasek by e-mail at jessica@legalnewsline.com.

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McDaniel