



THE DEFENSE CREDIT UNION COUNCIL

# ALERT

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## ARKANSANS AGAINST ABUSIVE PAYDAY LENDING

*Rodney Showmar, Vice President of Marketing, Arkansas FCU*

Arkansans are coming together to help inform consumers about the predatory nature of payday lending. September 17th was the first meeting of Arkansans Against Abusive Payday Lending (AAAPL). This meeting was brought to order to narrow down a solution to this overwhelming problem in Arkansas.

H. C. "Hank" Klein, President/CEO of Arkansas Federal Credit Union has comprised a group of individuals to help in this fight. Jean Ann Fox, Director of Consumer Protection for Consumer Federation of America, specializes in financial services, electronic commerce, and consumer protection issues. She is also Vice Chairman of the Board of Directors of Consumers Union, publisher of Consumer Reports magazine, "Payday lenders in Arkansas are using every trick in the book to hide their usurious loans." "Quick cash advances masquerading as rebates and loans made by out of state financial institutions ignore the constitution of Arkansas and must be stopped," stated Jean Ann. For information on her studies on Payday lending go to [www.consumerfed.org](http://www.consumerfed.org).

Paul Kelly, Senior Policy Analyst for Arkansas Advocates for Children and Families works daily to help fight for families and individuals that are caught up in the payday lending trap. Paul completed a report in March 2004 on Living Poor in Arkansas: Bartering, Banking and Still Broke. He also works closely with The Annie E. Casey Foundation, they composed an essay on The High Cost of Being Poor for this study and others go to [www.kidscount.org](http://www.kidscount.org).

H. C. "Hank" Klein, President/CEO of Arkansas Federal Credit Union reported on the regulated and unregulated Check Cashers and Payday Lenders in the communities of Pulaski County, Conway, and Fort Smith, Arkansas. This study was conducted by managers of Arkansas Federal Credit Union to ensure that Arkansas Check Cashers/Payday Lenders were complying with the Check Cashers Act of 1999 and the regulations published by the Arkansas State Board of Collections Agencies, Division of Check Cashers were being enforced. To read about the results of this study visit [\*Payday\\_Lending\\_Study\\_-\\_August\\_2004.pdf.\*](http://www.afcu.org/pdf/Check_Casher-</a></p></div><div data-bbox=)

Todd Turner, Attorney with Batson, Arnold, Turner and Turner has worked for victims of Payday Lenders since 1999. He has given most of his time as an Attorney fighting for the rights of Arkansans that have been taken advantage of by Payday Lenders. Todd has even taken the process a step further. He is seeking to stop the State of Arkansas from issuing licenses to Check Cashers/Payday Lenders and has oral arguments before the Arkansas Supreme Court on October 6, 2004 to fight against this, "loan sharking", as Todd puts it.

AAAPL is made up of an amazing group of consumer advocates like Dale Charles, President of NAACP; Linda Tucker, Director of Education for Consumer Credit Counseling; Joy Buffalo, County Extension Agent, Maria Reynolds-Diaz, State Director with AARP, Alan Hughes, President, Arkansas AFL/CIO, Ashvin Vibhakar, Director, UALR Institute for Economic Advancement and others.