



JOHN HOFHEIMER/Leader photo

At left, W. Cosby Hodges, a payday lender who owns more than 20 payday lending facilities, and Hank Klein, the founder of Arkansans Against Payday Lending, wait in the state Capitol building for the Senate Judiciary Committee meeting to begin last Monday.

Going after payday lenders

IN SHORT Another bill to outlaw predatory lending will be voted on in the state Senate next week.

By JOHN HOFHEIMER
Leader staff writer

The Senate Judiciary Committee members could vote next week on Senate Bill 968, intended to put payday lenders and other so-called predatory lenders out of business in Arkansas, according to Mark Johnson, an AARP consultant.

The bill, sponsored by Sen. Tim Wooldridge, D-Paragould, was slated for a vote Monday and again Wednesday, but it appeared that Wooldridge and his supporters wouldn't have the four votes needed to move the bill out of the committee, Johnson said Thursday.

Also in the Senate Judiciary Committee is a payday-lender spe-

cific bill sponsored by state Sen. Tracey, D-North Little Rock.

Coalition members hope to pass Wooldridge's bill first, said Johnson.

"We think it's a broader bill. It includes people who make title loans at exorbitant rates and other predatory lenders as well. That's our first priority."

Lyn Harrelson, a representative of the Little Rock branch of the Federal Reserve Bank of St. Louis, has gotten an opinion that if banks could get credit under the community reinvestment act requirements for making investments into a loan pool to make small loans at reasonable interest to replace the loans currently made by payday lenders, Johnson said.

They'll count noses again Wednesday, said Johnson, before deciding on a vote.

Last Monday, about a dozen or so supporters of the bill showed up as did two prominent voices in the

state's payday lending and check cashing businesses—W. Cosby Hodges and Jim Mead.

Hodges has about 20 payday lending businesses in the state, and started a finance company in South Dakota as an umbrella lender, allowing his businesses to comply with South Dakota regulations instead of Arkansas regulations.

Mead runs a check-cashing business in Jonesboro and is a spokesman for the industry.

Johnson and Hank Klein, chief executive officer of Arkansas Federal Credit Union and a founder of Arkansans Against Abusive Payday Lending, were among those present to support Wooldridge's bill last Monday.

Hodges and Klein talked with apparent good humor in the halls, but when Hodges tried to put his arm around Klein for a photo, Klein slipped away.