

Some down, a bunch to go

Who says there's no good news in the paper? There it was, on the front page of last Thursday's paper: "Fined \$1.3 million, **lender** told to close/ State cites unlicensed **payday** stores." It's the largest fine ever assessed by the state's Board of Collection Agencies, and its chairman—Rusty Guinn—says he doesn't think he's ever seen as flagrant a violation of the law. Dennis Bailey's 14 fast-loan operations across the state, according to the board's executive director, have been operating without a license since early last year. Now they've all been told to shut down.

Well, that's 14 down. But there are a lot more **payday lenders** in Arkansas to go. They typically operate by having a customer write a check for, say, \$400 in exchange for a \$350 loan. The **lender** is supposed to hold the check for two weeks before cashing it—that's a 371 percent rate of annual interest!—but often the borrower can't come up with the \$400 and has to roll the loan over, again with \$50 in interest, for who knows how long. This kind of deal may come as close to involuntary servitude as the U.S. Constitution still allows.

It's a vicious racket. The presence of these loan sharks in poor neighborhoods and around military bases is particularly disgusting. The poor and desperate are their natural prey. The 1999 law that permits these predators to operate in Arkansas remains the most shameful part of Mark Pryor's tenure as attorney general. His failure to speak up against that law as it went through the Ledge, despite the counsel of conscientious members of his staff, has resulted in who knows how much human misery in this state.

The state's regulators are to be commended on last week's signal victory over predatory **lending** in Arkansas, but it's only one victory. The next step is to find a way to drive the predatory **lenders** who do pay their license fees out of Arkansas, too. This has gone on much too long.