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64° WIND 5 SSE HUMIDITY 84%



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- Less than 30 miles
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- More than 60 miles
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Introducing



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Payday Lenders Ok For Now Watch

Reported by: Courtney Collins, KARK 4 News  
Tuesday, Nov 20, 2007 @05:24pm CST

It took about five minutes for a Pulaski County circuit judge to rule that payday lending is constitutional.



But opponents say this isn't the end of the line in their fight to shut those businesses down.

For the plaintiffs in this case, the next step is appealing to the Supreme Court, something they say they've prepared for since this lawsuit was filed back in 2003.

They say payday lenders use exorbitant interest rates and take advantage of low income people, but the lenders say they're well within their rights.

You've probably seen one close to your neighborhood payday lenders and cash advancers, businesses that get you money fast but businesses some claim cost you stacks of money even faster.

"These are typically people who are in bad situations financially and then they can't get out of it when they start getting into all these payday loans," says plaintiff attorney Todd Turner.

The Arkansas constitution says no loan can charge more than 17% interest but payday lenders are protected by a law that says small transactions assess fees, not interest.

"It's a statute that authorizes certain fees for holding a check for 2 weeks, it really is nothing more than a loan, and the fees are nothing more than interest and when you do the annualized percentage rate they're 300 to 600 percent interest," Turner says.

A representative from Advance America says, "We operate legally and ethically in the state of Arkansas and we'll continue to defend our position."

North Carolina and Georgia are among the states that have made payday lending illegal.

Lawyers say it should take the state supreme court between 6 and 8 months to rule on their appeal.

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