

AR Attorney General Asks Payday Lenders to Shut Down or Face Lawsuits

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LITTLE ROCK (AP) -- Arkansas Attorney General Dustin McDaniel has a message for payday lenders throughout the state: shut down now, or face a lawsuit from the state.

McDaniel is sending letters to about 60 companies that run 156 payday lending firms in Arkansas. He expects written responses from the companies no later than April 4th.

McDaniel is telling the companies to stop lending and to stop collections on any current or past-due debt. The letter says any payday lender not complying will be sued by the attorney general's office.

McDaniel based his actions on two recent state Supreme Court opinions. He says the rulings make it clear that the high interest rates charged by payday lenders violate the state constitution and the Arkansas Deceptive Trade Practices Act.

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