

Payday Lenders: Is Money Business Going On?

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Last month Attorney General Dustin McDaniel put 156 payday lenders in the state on notice. He warned them to get out of business or get ready to go to court.

Not every payday lender got that notice. Seven-On-Your-Side's Jason Pederson reports on one woman's experience with two outstanding payday loans.

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Two years ago medical bills and car repairs got Dora Samuels behind financially.

She took out payday loans from two Pine Bluff businesses...\$400 dollars from First American Cash Advance and another \$200 dollars from Advance America.

She has been paying on them until last month, when the attorney general said such loans are illegal and should be forgiven.

(Dora Samuels/Pine Bluff) "I said 'Finally, you know, I can get this burden off. I can get in control of my resources again' because you're totally out of sorts with your resources because you have to pay them before you can go and pay your bills. So I was very thankful."

Then in early April Advance America collected the \$223 owed by Dora. The attorney general's office says that shouldn't

It is one of hundreds of similar complaints that are being investigated.

First American also tried to collect in full by auto-drafting Dora's checking account. Her bank refused to allow the payme yet to be put on notice by the attorney general.

(Samuels) "I thought 'Oh my god. They're not going to abide by the law.' They don't care what the government sa keep doing it."

A spokesman for Attorney General Dustin McDaniel says to expect some kind of action against some payday lenders in t weeks.

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