



Consumers Call in to Tell Coalition Volunteers Payday Loan Horror Stories

Volunteers Listen to Viewers who Call in After TV Feature

By: States: Arkansas | Source: AARP.org | Date Posted:

Arkansas consumers got help with their payday lending problems via a recent KATV News feature story and telephone bank. Consumer reporter, Jason Pederson interviewed consumers abused by payday lenders and encouraged viewers to call-in for help from ten Arkansans Against Abusive Payday Lending (AAAPL) volunteers. Working from a phone bank at the television station, volunteers referred many of the calls to the state attorney general's office. The AAAPL is a broad-based coalition fighting outrageous charges levied by payday lenders. Coalition members from the Arkansas Cooperative Extension Service arranged and led organization of the call-in show. AARP Arkansas is one of the group's leading members. AARP volunteer Hank Klein founded the coalition.

Earlier, Arkansas Attorney General Dustin McDaniel ordered payday lenders in Arkansas to cease making loans and stop collecting any outstanding payday loans with outrageous interest rates. The Attorney General in his March 18, 2008, announcement said that two recent Arkansas Supreme Court decisions make it clear that payday lending violates state law. He has promised to sue payday lenders who fail to adhere to his order.

One caller reported paying \$1,500 back for borrowing \$500. Payday loans are small loans, usually \$100 to \$400, made for an average of 14 days. A 14-day payday loan typically costs Arkansas borrowers 372 percent to 869 percent annually in interest. Article 19, Section 13 of the Arkansas Constitution limits interest on consumer loans to a maximum of 17 percent annually.

Related Articles

AARP Research Results on Payday Lending

http://www.aarp.org/research/reference/memberopinions/ar_member.html

Other Resources

Arkansans Against Abusive Payday

<http://www.stoppaydaypredators.org>

Center for Responsible Lending

<http://www.responsiblelending.org/issues/payday/>