

Payday Lenders in Arkansas:

The Regulated and the Unregulated

A Study by:



Arkansans Against Abusive
Payday Lending (AAAPL)

A Report on The Regulated and Unregulated Check
Cashers and Payday Lenders in the Communities of
Pulaski County, Conway and Ft. Smith, Arkansas

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Executive Overview

Payday lending activities in Arkansas have grown out of control since the passage of the Check Cashers Act of 1999 by the Arkansas Legislature. This Act established a regulatory structure to ensure that the consumer abuses of the past were controlled by a State of Arkansas regulatory agency. The agency chosen to regulate the Check Cashers was the Arkansas State Board of Collection Agencies. That agency established a Division of Check Cashers to write regulations, license, inspect, and in general regulate Check Cashers/Payday Lenders in Arkansas.

A recent study of Check Cashers and Payday Lenders operating in the Communities of Pulaski County, Conway and Ft. Smith, Arkansas found that:

- 44.44% of the Check Cashers/Payday Lenders (32 out of the 72 we studied) have been sued at least once (some multiple times) by Arkansas law firms. The most notable of these being Arnold, Batson, Turner and Turner P.A. of Arkadelphia, Arkansas. Todd Turner, Attorney-at-Law, has taken on the Check Cashers of Arkansas almost single handedly suing in county court, state court, appeals court, and even the State Supreme Court and in every case winning class action lawsuits for his clients. The class action suits brought by Mr. Turner's firm have helped over 40,000 Arkansas citizens. Some Check Cashers have closed up shop in Arkansas due to the actions of Todd Turner and his firm, but many are still in business.
- 33.33% of the Check Cashers/Payday Lenders (24 out of the 72 we studied) do not hold active licenses with the Arkansas Board of Collections Agencies, Division of Check Cashers, but are still in business.
- 22.22% of the Check Cashers/Payday Lenders (16 out of the 72 we studied) seek to evade Arkansas State law by partnering with out of state banks (Rent-A-Bank model). Lenders seek bank partners when they want to make loans under terms that exceed state law limits, such as size of loans, loan repayment terms, or finance charge caps. 11 stores do not hold an active license while 5 stores do have an active license with the Arkansas State Board of Collection Agencies.
- 20.83% of the Check Cashers/Payday Lenders (15 out of the 72 we studied) seek to evade Arkansas State law by partnering with out of state finance companies (Rent-A-Finance Company model). They use Dakota Loan Company and Mount Rushmore Loan Company (MRLC) of Sioux Falls, South Dakota or, in one case, Roaring River Finance Company in Cassville, Missouri. 4 stores do not hold an active license while 11 stores do have an active license with the Arkansas State Board of Collection Agencies.



Apparently, there is a belief that because banks can import their home office interest rate to other states in which they operate (by Federal law) that Finance Companies can do the same thing. It is interesting to note that finance companies do not operate any offices in the State of Arkansas due to the usury rate found in the Arkansas Constitution (the maximum rate allowed is 5.00% above the Federal Reserve Discount rate with a maximum of 17% - currently the maximum rate would be 7.50% Annual Percentage Rate). Finance companies cannot profitably operate unless they can charge 36% APR for their small loans, yet the Division of Check Cashers currently licenses Payday Lenders to operate charging 360% + APR and now finance companies have found their way into Arkansas through licensed and unlicensed Payday Lending stores

- 8.33% of the Check Cashers/Payday Lenders (6 out of the 72 we studied) seek to evade the “rollover” restriction in Arkansas State law by using an Internet Rebate scheme. The Internet Rebate works just like a normal Payday Loan transaction from a Check Casher, except the consumer also signs a contract to rollover the loan every two weeks for a period of 12 months and agrees to “purchase” Internet service from the Payday Lender. All 6 stores do not hold an active license with the Arkansas State Board of Collection Agencies.

The Internet service is available from an Internet terminal in the lobby of the Internet Rebate Lender office during office hours and is limited based upon the amount of the loan (or rebate as it is called). For example, if the consumer asks for a \$300 rebate then the consumer presents a check for \$360. The Internet Rebate Lender keeps \$60 as the first payment for Internet service and the consumer makes a payment of \$60 a payday (every 14 days) for a year to repay the loan (rebate). The consumer repays \$1,560 over 12 months for a \$300 Internet rebate (loan).

- The lower the income level, the more stores found in a city, while the higher the income level the smaller number of stores we found in a city. Ft. Smith, Arkansas (followed by Jacksonville, Arkansas) has the highest number of stores per population and the lowest Median Household income of any city in the study.

You would think that those they regulate would respect a State regulatory agency. But it is clear from this study that many Check Cashers/Payday Lenders are not licensed and continue to do business any way they want, with no repercussions from the State of Arkansas.



Background

Payday lending activities in Arkansas have grown out of control since the passage of the Check Cashers Act of 1999 by the Arkansas Legislature.

The passage of the Check Cashers Act of 1999 was an effort to impose regulation on the business of check cashing, an industry that had grown up in the early 1990's in Arkansas without a law, regulations, or a regulatory agency. The bill also attempted to legalize payday lending despite usury limits in the state constitution by defining these loans as check cashing transactions.

In the mid-to-late 1990's the Arkansas Attorney General's office sued many Check Cashers over their Payday Loan practices maintaining that payday loan transactions were void due to the usurious interest rates being charged and the fact that they grossly exceeded usury limits established in the Arkansas Constitution (Article 19, Section 13). All of the cases were resolved in the favor of the Arkansas Attorney General on behalf of the citizens of the State of Arkansas.

Check Cashers Act of 1999 - Because of the actions of the Arkansas Attorney General's office, the Arkansas Check Cashers lobbied in 1999 for a law to legitimize both check cashing and payday loans. That year, the General Assembly passed a Check Cashers Act (Act 1216 of 1999 – Arkansas Code Annotated 23-52-101 through 117), which stated among other things, that amounts advanced “shall not be deemed to be a loan,” and the fees charged by payday lenders “shall not be deemed interest”.

As a part of that Act, a regulatory structure was established to ensure that the consumer abuses of the past were controlled by a State of Arkansas regulatory agency. The agency chosen to regulate the Check Cashers was the Arkansas State Board of Collection Agencies. That agency established a Division of Check Cashers to write regulations, license, inspect, and in general regulate Check Cashers/Payday Lenders in Arkansas.

The Federal Reserve responds in 2000 - Payday lenders were not only taking hold in Arkansas, but all across America, and Attorney General offices and legislatures in other states were beginning to question whether the cost to consumers for payday loans was interest or fees. When calculated as an interest rate, payday lender charges of \$15 - \$20 per \$100 loans for 14 days translates to 390% to 520% annual percentage rates. For shorter loan terms, APRs can exceed 1,000%.

The Federal Reserve Board of Governors took up the issue based upon its authority under the Federal Truth-in-Lending Act (TILA; 15 U.S.C. 1601). They studied schemes called “Payday Loans”, “Cash Advance Loans”, “Check Advance Loans”, “Postdated Check Loans”, “Delayed Deposit Loans”, “Deferred Deposit Loans”, and “Deferred Presentment Options.” A Final Rule was issued on March 24, 2000 indicating that “regardless of how the fee is characterized for state law purposes”; it would be



considered interest and must comply with all the consumer disclosure requirements as required of other types of loans. The revised regulation became effective October 1, 2000.

One of the early correspondences from the Executive Director of the newly formed Division of Check Cashers of the Arkansas Board of Collection Agencies on August 10, 2000 was to inform Check Cashers/Payday Lenders of the new Federal Truth-in-Lending requirements. Arkansas Code Annotated 23-52-105 also requires that signs displaying a schedule of all costs (Annual Percentage Rate) of the loans be prominently displayed in the office of all Check Cashers/Payday Lenders.

Repeal of the Act Sought in 2001 - Realizing that the Check Cashers Act of 1999 was probably illegal based upon the subsequent ruling by the Federal Reserve Board of Governors, when the Arkansas General Assembly reconvened in the spring of 2001, then Senator Cliff H. Hoofman introduced Senate Bill 6, which would have repealed the Check Cashers Act of 1999. Many additional bills were introduced to alter the Check Cashers Act of 1999. Although many bills were introduced, none passed the General Assembly.

Consumer Law Suits - Even prior to the inability of the General Assembly to take action in 2001 to repeal the Check Cashers Act of 1999, attorneys in Arkansas were suing Check Cashers on behalf of Arkansas consumers declaring the fees charged to consumers were interest, and therefore, usurious under the Arkansas Constitution.

Most notable of these law firms is Arnold, Batson, Turner and Turner P.A. of Arkadelphia, Arkansas. Todd Turner, Attorney-at-Law, has taken on the Check Cashers of Arkansas almost single handedly suing in county court, state court, appeals court, and even the State Supreme Court and in every case winning class action lawsuits for his clients. The class action suits brought by Mr. Turner's firm have helped over 40,000 Arkansans.

In our study we found that 32 of the 72 Check Cashers/Payday Lenders or 44.44% have been sued at least once (some multiple times). Some Check Cashers have closed up shop in Arkansas due to the actions of Todd Turner and his firm, but many are still in business. A list of those stores that have been sued, located in the cities where our study was conducted, can be found in Appendix 1

Rent-A-Bank – Some payday lenders partner with banks in hopes of being allowed to claim the bank's right to export favorable home-state interest rates when the payday lender knows that state laws do not authorize these loans. Lenders also seek bank partners when they want to make loans under terms that exceed state law limits, such as size of loans, loan repayment terms, or finance charge caps.



Most of the Federal bank regulators (i.e. Comptroller of the Currency, Federal Reserve Board, and the Office of Thrift Supervision) have taken up the legitimacy of banks fronting for Payday Lenders across the nation and have either forbidden the practice or placed such high restrictions on the banks they supervise as to stop the practice. The only bank regulator that has failed to stop this practice is the Federal Deposit Insurance Corporation (FDIC). They supervise state banks that are not members of the Federal Reserve.

FDIC has recently issued guidelines that apply to state-chartered non-member banks that partner with payday lenders. The guidelines apply federal laws to payday loan transactions made by banks under FDIC jurisdiction, but do not replace state law protections or regulations for the small loan industry. If applied stringently, the FDIC guidelines could restrict or discourage the handful (currently ten banks) that continues to front for some Payday Lenders.

In our study we found that 16 out of 72 Check Cashers/Payday Lenders or 22.22% use the Rent-A-Bank model. A list of those stores using the Rent-A-Bank model located in the cities where our study was conducted can be found in Appendix 2.

Internet Rebate Lenders - One consumer friendly provision of the Check Cashers Act of 1999 is the prohibition of rollovers. A rollover is the practice of extending the loan on payday if the consumer is unable or unwilling to pay the balance in full. Rollovers put the consumer into a never-ending cycle of debt and turn a one time loan into an installment loan at an extremely high interest rate. Rollovers are often considered the worst feature of Payday Lending.

Some lenders, in an effort to get around the rollover restriction in the Check Cashers Act of 1999, have developed schemes like the “Internet Rebate”. The Internet Rebate Lender’s loan works just like a normal Payday Loan transaction from a Check Casher, except the consumer also signs a contract to rollover the loan every two weeks for a period of 12 months and agrees to “purchase” Internet service from the Payday Lender. The Internet service is available from an Internet terminal in the lobby of the Internet Rebate Lender office during office hours and is limited based upon the amount of the loan (or rebate as it is called). For example, if the consumer asks for a \$300 rebate then the consumer presents a check for \$360. The Internet Rebate Lender keeps \$60 as the first payment for Internet service and the consumer makes a payment of \$60 a payday (every 14 days) for a year to repay the loan (rebate). The consumer repays \$1,560 over 12 months for a \$300 Internet rebate (loan).

In our study we found that 6 out of 72 Check Cashers/Payday Lenders or 8.33% use the Internet Rebate scheme. A list of Check Cashers/Payday Lenders using the Internet Rebate scheme located in the cities where our study was conducted can be found in Appendix 3.



Reason for This Study – Arkansas Federal Credit Union wanted to protect its 58,000 members as well as the communities where its members live from predatory practices by payday lenders. It sought advice from its corporate attorney, Richard C. Downing and credit union lobbyist Ron Harrod.

In June, 2003 after a discussion with Arkansas Attorney General Mike Beebe, H. C. Klein, President/CEO of Arkansas Federal Credit Union called Peggy Matson, Executive Director of the Arkansas State Board of Collection Agencies, Division of Check Cashers to ask if a known Payday Lender using the Rent-A-Bank model of payday lending and a second known Payday Lender using the Internet Rebate model of payday lending were licensed by her agency. She explained that one of them had been licensed, but turned in that license when they began using the Rent-A-Bank model of payday lending and the other lender was actually giving Internet Rebates not making Payday Loans and therefore did not need to be licensed. We question this wisdom – if this agency is not going to regulate ALL Check Cashers/Payday Lenders in Arkansas then who is?

This study was conducted by the Management of Arkansas Federal Credit Union to ensure that the Check Cashers/Payday Lenders were complying with the Check Cashers Act of 1999 and the regulations published by the Arkansas State Board of Collection Agencies, Division of Check Cashers.



Study Design

This study was conducted by the Management of Arkansas Federal Credit Union to ensure that Arkansas Check Cashers/Payday Lenders were complying with the Check Cashers Act of 1999 and the regulations published by the Arkansas State Board of Collection Agencies, Division of Check Cashers were being enforced. Our completed study is found in Appendix 4.

The study was begun on March 4, 2004 when the Branch Manager of each branch office of Arkansas Federal Credit Union and the Senior Vice President/Finance & Administration (who surveyed the stores in Jacksonville, Arkansas) took the Yellow Pages of their local phone book and looked in the sections for Check Cashing Services, Payday Loans, Loans, and Internet Service. They looked for businesses that were located in these sections of the phone book and advertised loans for amounts from \$50 - \$500. Additionally, they were provided instructions and a spreadsheet so information could be gathered in a uniform manner in each city where Arkansas Federal Credit Union maintains a branch office.

They spent the day of March 4th visiting offices of Check Cashers/Payday Lenders. They gathered business cards, applications, printed information on the loan process and general information on rates for cashing checks and obtaining payday loans, as well as the Annual Percentage Rate for a 14-day payday loans with \$300 in proceeds.

Some of our Managers found the businesses friendly and cooperative, while others found them defensive and very withholding of the most basic consumer information. Some of the employees in the stores had no idea what the term Annual Percentage Rate even meant.

Once the information was gathered, it was placed on a spreadsheet so each business could be compared in the same uniform manner. Additional return visits to some stores were necessary to gather additional information and follow up phone calls were made for clarification of information that had been obtained.

In late April 2004 it was suggested that a list of all licensed Check Cashers/Payday Lenders be obtained from the Arkansas Board of Collection Agencies, Division of Check Cashers in order to ensure that all Check Cashers/Payday Lenders had been surveyed. When we obtained the list dated March 12, 2004 to our surprise many additional store locations were discovered which had not been contacted using the phone book approach.

Meetings were then held with the Managers involved in the study and additional locations that had not been surveyed before were noted. During the months of May and June, 2004 Managers visited the additional locations of licensed Check Cashers/Payday Lenders who had not been visited using the previously mentioned phone book approach.



The managers of Arkansas Federal Credit Union responsible for this study by city are as follows:

Jacksonville – Terry Borreson, Senior Vice President/Finance & Administration

Sherwood and North Little Rock – Karen Smith, North Little Rock Branch Manager

Little Rock – Anita Killen, Little Rock Branch Manager (University Avenue and those stores to the east of University Avenue) and Karen Sweeden, West Little Rock Branch Manager (those stores to the west of University Avenue)

Conway – Sandy Bearry, Conway Branch Manager

Ft. Smith – Laura Bradley, Ft. Smith Branch Manager

Overall the study showed that in Pulaski County, Conway and Ft. Smith, Arkansas there are a total of 72 Check Cashers/Payday Lenders. Of those, 48 or 66.66% hold active licenses with the Arkansas Board of Collections Agencies, Division of Check Cashers while 24 or 33.33% are not licensed. Many stores cash checks, sell money orders and provide other consumer financial services (like take utility payments) as well as provide Payday Loans, while other stores simply provide Payday Loans. Some Check Cashers/Payday Lenders are also Pawn Shops, although we found very few. Additionally, we discovered a number of Internet Rebate Lenders.

We discovered that 16 out of 72 or 22.22% of the stores surveyed that offered Payday Loans did so through out of state banks. Each of the stores using the Rent-A-Bank model was part of a national chain.

Rent-A-Finance Company Model is Discovered – To our surprise we discovered an additional 15 out of 72 or 20.8% of the stores surveyed that offered Payday Loans were using a “Rent-A-Finance Company” model. They were using Dakota Loan Company, Mount Rushmore Loan Company (MRLC) of Sioux Falls, South Dakota or, in one case, Roaring River Finance Company in Cassville, Missouri.

Apparently, there is a belief that because banks can import their home office interest rate to other states in which they operate that Finance Companies can do the same thing. It is interesting to note that finance companies do not operate any offices in the State of Arkansas due to the usury rate found in the Arkansas Constitution (the maximum rate allowed is 5.00% above the Federal Reserve Discount rate with a maximum of 17% - currently the maximum rate would be 7.25% Annual Percentage Rate). Finance companies cannot profitably operate unless they can charge 36% APR for their small loans, yet the Division of Check Cashers currently licenses Payday Lenders to operate charging 360% + and now finance companies have found their way into Arkansas through licensed and unlicensed Payday Lending stores. A list of Check Cashers/Payday Lenders using the Rent-A-Finance Company model located in the cities where our study was conducted can be found in Appendix 5.



Finally, we found many instances of unlicensed stores making payday loans that in our understanding of the state law and the regulations as published by the Arkansas Board of Collection Agencies, Division of Check Cashers should be licensed. Similarly we found stores that cash checks, but are not licensed. It would appear that regulating this industry, as sought by the Arkansas Legislature when they passed the Check Cashers Act of 1999, has not happened and individual stores have set up shop in just about any way they want in order to skirt or just plain ignore the existing law and published regulations via Internet Rebates, unlicensed stores making loans using the Rent-A Bank model, unlicensed stores cashing checks for consumers, and the newly developed Rent-A-Finance Company model which finds finance companies once again operating in the State of Arkansas and ignoring the usury provision of the Arkansas State Constitution.



Study Results

The full study (found in Appendix 4) is divided into cities because each was surveyed by a different Management level employee of Arkansas Federal Credit Union.

Jacksonville – The study for this city was conducted by Terry Borreson, Senior Vice President/Finance & Administration. He located a total of seven Check Cashers/Payday Lenders stores in Jacksonville, Arkansas. Three were licensed with the Arkansas Board of Collection Agencies, Division of Check Cashers while four were not licensed. One was closed and was no longer in business, although it was still listed as having an active license.

One of the stores not licensed was actively in business and was making loans via the Rent-A-Finance Company model as follows:

- American Check Cashers located at 509 JP Wright Loop Road does not cash checks, but does make Payday Loans through Mount Rushmore Loan Company (MRLC) of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

Two of the stores are making loans via the Rent-A-Bank model and do not carry a license as follows:

- Advance America located at 2021 N 1st Street does not cash checks, but does make Payday Loans through Venture Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- First American Cash Advance located at 2126 N 1st Street does not cash checks, but does make Payday Loans through Community State Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

One store, which cashes checks and does not carry a license, is:

- C & B Jewelry Exchange & Loan Company located at 84 Municipal Drive does not make Payday Loans, but does cash checks, which requires a license. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers they are not licensed.



With a population of 29,916 and a total of six open Check Cashers/Payday Lenders operating in Jacksonville, Arkansas, there is one store for each 4,986 residents. Our study found that Jacksonville has one of the highest ratios of stores to population of any city in this study. A list of Check Cashers/Payday Lenders by city population and income located in the cities where our study was conducted can be found in Appendix 6.

Of interest also was that Jacksonville also had one of the lowest Median Household incomes of any of the cities in this study of \$37,556. Other studies of the Payday Loan industry have found that this type of lending preys on the Military and lower income consumers that can least afford the service. We came to the same conclusion in our Arkansas study.

It should also be noted that Jacksonville, Arkansas is home to Little Rock Air Force Base and three of the six open stores in this city are located in the shopping centers just outside the military base making them very convenient for military personnel. Each of these stores is unlicensed. We also found it interesting that all of the stores located in the shopping centers just outside of Little Rock Air Force Base had “America” in their name – Advance America located at 2021 N. 1st Street, First American Cash Advance located at 2126 N. 1st Street and American Check Cashers located at 509 J.P. Wright Loop Road. We doubt that the choice of name (near an American military base) and location is by chance.

Sherwood - The study for this city was conducted by Karen Smith, North Little Rock Branch Manager. She located a total of two Check Cashers/Payday Lenders operating stores in Sherwood, Arkansas. Both were licensed with the Arkansas Board of Collection Agencies, Division of Check Cashers.

With a population of 22,122 and a total of two open Check Cashers/Payday Lenders operating in Sherwood, Arkansas there is one store for each 11,061 residents. Our study found that Sherwood has one of the lowest ratios of stores to population of any city in this study.

Of interest also was that Sherwood also had one of the highest Median Household incomes of any of the cities in this study at \$47,732. It would appear that the higher median household income in Sherwood makes it difficult for Check Cashers/Payday Lenders to maintain a high level of activity.

North Little Rock - The study for this city was also conducted by Karen Smith, North Little Rock Branch Manager. She located a total of nine Check Cashers/Payday Lenders operating stores in North Little Rock, Arkansas. Five were licensed with the Arkansas Board of Collection Agencies, Division of Check Cashers while four were not licensed.



One of the stores not licensed was actively in business and was making loans via the Rent-A-Finance Company model as follows:

- Pay Day Advance located on Camp Robinson Road does not cash checks, but does make Payday Loans through Mount Rushmore Loan Company of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

Two of the stores are making loans via the Rent-A-Bank model and do not carry a license as follows:

- Advance America located at 4714 JFK Blvd. does not cash checks, but does make Payday Loans through Venture Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- First American Cash Advance located at 4012 JFK Blvd. does not cash checks, but does make Payday Loans through Community State Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

One unlicensed store provides an Internet rebate service as follows:

- Pla.Net Cash located at 4718 JFK Blvd. sells Internet service at a fee of \$60.00 per payday (every 14 days) based on a one-year contract. The purchaser provides a post-dated check in the amount of \$360.00 and receives an instant rebate (loan) of \$300.00. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

With a population of 59,965 and a total of 9 Check Cashers/Payday Lenders operating in North Little Rock, Arkansas there is one store for each 6,663 residents. This compares to the average found in our study of 7,076 residents per store

Little Rock - The study for this city was conducted by Anita Killen, Little Rock Branch Manager and Karen Sweeden, West Little Rock Branch Manager. Due to the size of the area Little Rock was divided using University Avenue with Mrs. Killen taking University Avenue and the area to the east and Mrs. Sweeden taking the area to the west.

They located a total of 23 Check Cashers/Payday Lenders operating stores in Little Rock, Arkansas. Fifteen were licensed with the Arkansas Board of Collection Agencies, Division of Check Cashers while eight were not licensed. Four of these stores were



closed and no longer in business, although two stores were still listed as having an active license.

Ten of the stores were actively in business making loans via the Rent-A-Bank model and fully one half of these were licensed. The unlicensed lenders are listed as follows:

- Advance America located at 3700 S. University Avenue does not cash checks, but does make Payday Loans through Venture Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- Advance America located at 9112 N. Rodney Parham, Suite 125 does not cash checks, but does make Payday Loans through Venture Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- Advance America located at 8817 Geyer Springs Road does not cash checks, but does make Payday Loans through Venture Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- First American Cash Advance located at 6420 Asher Avenue, #10 does not cash checks, but does make Payday Loans through Community State Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- First American Cash Advance located at 8824 Geyer Springs Road does not cash checks, but does make Payday Loans through Community State Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

Three stores provide an Internet rebate service as follows:

- Pla.Net Cash located at 923 Broadway sells Internet service at a fee of \$60.00 per payday (every 14 days) based on a one-year contract. The purchaser provides a post-dated check in the amount of \$360.00 and receives an instant rebate (loan) of \$300.00. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- Pla.Net Cash located at 3026 S. University Avenue sells Internet service at a fee of \$60.00 per payday (every 14 days) based on a one-year contract. The purchaser



provides a post-dated check in the amount of \$360.00 and receives an instant rebate (loan) of \$300.00. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

- Money in a Flash.Net located at 7212 Geyer Springs Road sells Internet service at a fee of \$60.00 per payday (every 14 days) based on a one-year contract. The purchaser provides a post-dated check in the amount of \$360.00 and receives an instant rebate of \$300.00. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

With a population of 184,652 and a total of 19 open Check Cashers/Payday Lenders operating in Little Rock, Arkansas there is one store for each 9,719 residents. This ratio is quite a bit lower than the average found in our study of 7,076 residents per store. Additionally, with a median household income of \$40,346 (the second highest in Pulaski County) it appears that these stores are less of a problem in Little Rock.

Conway - The study for this city was conducted by Sandy Bearry, Conway Branch Manager. She located a total of 13 Check Cashers/Payday Lenders operating stores in Conway, Arkansas. Seven were licensed with the Arkansas Board of Collection Agencies, Division of Check Cashers while six were not licensed. Four were closed and were no longer in business, although three of these still were listed as having an active license.

Two unlicensed and one licensed store were actively in business and were making loans via the Rent-A-Finance Company model as follows:

- Check Mart, Inc. located at 803 Harkrider, Suite 13 cashes checks. They also make Payday Loans through Dakota Loan Company of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- Conway Quick Cash located at 603 Court Street, Suite 1 cashes checks. They also make Payday Loans through Roaring River Finance Company of Cassville, Missouri at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- Showmethemoney located at 505 Industrial Drive cashes checks. They also make Payday Loans through Mount Rushmore Loan Company of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are licensed.



Two of the stores are making loans via the Rent-A-Bank model and do not carry a license as follows:

- Advance America located at 895 Oak Street does not cash checks, but does make Payday Loans through Venture Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.
- First American Cash Advance located at 1105 Fendley Drive does not cash checks, but does make Payday Loans through Community State Bank at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

One store in Conway provides an Internet rebate service as follows:

- Conway Cash – Net located at 813 Oak Street sells Internet service at a fee of \$60.00 per payday (every 14 days) based on a one-year contract. The purchaser provides a post-dated check in the amount of \$360.00 and receives an instant rebate (loan) of \$300.00. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

With a population of 46,346 and a total of 9 open Check Cashers/Payday Lenders operating in Conway, Arkansas there is one store for each 5,150 residents. Our study found that Conway has the third highest ratio of stores to population of any city in this study. Conway also had the fourth-lowest median household income at \$39,328. There is a strong tie between the number of Check Cashers/Payday Lenders and the income level of a community – the lower the income level the higher the number of stores relative to population in the community.

It should be noted that while our study was taking place Central Check Cashers which had been located at 30 MacArthur Drive was sued by Attorney Todd Turner of Arnold, Batson, Turner and Turner for violating the Arkansas usury law. A judgment was obtained and that business is now closed.

Ft. Smith - The study for this city was conducted by Laura Bradley, Ft. Smith Branch Manager. She located a total of 18 Check Cashers/Payday Lenders operating stores in Ft. Smith, Arkansas. Sixteen were licensed with the Arkansas Board of Collection Agencies, Division of Check Cashers while two were not licensed. One was closed to the consumers, as they are a commercial check casher catering to businesses only.



One of the stores not licensed was actively in business of cashing checks and making loans as follows:

- AA Check Cashers located at 2222 Rogers Avenue cashes checks. They also make Payday Loans. This company did not have their interest rates posted and when asked did not even know what the term Annual Percentage Rate even meant. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

One unlicensed store provides an Internet Rebate service as follows:

- Southside Internet located at 6200 Highway 271, South sells Internet service at a fee of \$60.00 per payday (every 14 days) based on a one-year contract. The purchaser provides a post-dated check in the amount of \$360.00 and receives an instant rebate (loan) of \$300.00. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are not licensed.

This particular store has an interesting history. At one time they were a Check Casher/Payday Lender and were sued by Attorney Todd Turner. At that point they closed, moved and changed their name and method of operation becoming an Internet Rebate lender. Arkansas Attorney General then sued them as being a sham lender, using the Internet Rebate as a form of Payday Lending. During the period of our study a Cease and Desist Order was issued against this store by the State of Arkansas.

It is interesting to note that there are no Check Cashers/Payday Lenders using the Rent-A-Bank model in the Ft. Smith area. There are, however, three licensed stores that are making loans via the Rent-A-Finance Company model as follows:

- American Check Cashers located at 56 Phoenix Village Square cashes checks. They also make Payday Loans through Mount Rushmore Loan Company of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are licensed.
- American Check Cashers located at 3657 Midland Blvd. cashes checks. They also make Payday Loans through Mount Rushmore Loan Company of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are licensed.



- Payday Advance located at 4605 Towson cashes checks. They also make Payday Loans through Mount Rushmore Loan Company of Sioux Falls, South Dakota at rates higher than allowed by current Arkansas law and regulations. According to the list provided by the Arkansas Board of Collection Agencies, Division of Check Cashers, they are licensed.

With a population of 82,910 and a total of 17 open Check Cashers/Payday Lenders operating in Ft. Smith, Arkansas there is one store for each 4,877 residents. Our study found that Ft. Smith has the highest ratio of stores to population of any city in this study.

Also of interest was the fact that Ft. Smith also had the lowest Median Household incomes of any of the cities in this study of \$34,574. Other studies of the Payday Loan industry have found that this type of lending preys on the Military and lower income consumers that can least afford the service.

We came to the same conclusion in our Arkansas Study. The higher the income level, the fewer stores we found in a city, while the lower the income level the larger number of stores we found in a city, as represented by the fact that Ft. Smith has the highest number of stores per population and the lowest Median Household income of any city in the study (see Appendix 6).



Summary

State laws, regulatory agencies, and the regulations those agencies promulgate are supposed ensure that businesses treat citizens fairly. Sometimes laws and regulations just do not work as designed. This certainly seems to be the case with Check Cashers/Payday Lenders in Arkansas.

If, in 1999 the Arkansas Legislature truly did not know that payday loans were actually loans and if they believed that the costs of those loans were fees and not interest then the Federal Reserve Board of Governors made it clear with their regulatory actions in 2000. There should be no doubt today that a 360%+ interest rate exceeds the 7.25% interest rate which is the currently (as of July 1, 2004) the maximum interest rate as determined by the calculations found in the Arkansas Constitution. Clearly each loan made to an Arkansas citizen by a Check Cashers/Payday Lenders since October 1, 2000 is usurious and illegal.

If the actions by the Federal Reserve Board of Governors did not clarify the matter, then the large number of class actions lawsuits filed by the law firms, including of Arnold, Batson, Turner & Turner, P.A. of Arkadelphia, Arkansas should make the officials of the State of Arkansas sit up and take notice. Each suit whether filed in county court, State court, appeals court, and even the State Supreme Court, have been settled in the favor of the consumers who sought relief from the “debt trap” brought on by payday lending. The class action suits brought by Mr. Turner’s firm have helped over 40,000 Arkansans.

The majority of Check Cashers/Payday Lenders in this study have been already been sued by the Arnold, Batson, Turner & Turner firm (some multiple times). That does not seem to stop them. They simply reinvent themselves by partnering with out of state banks, Internet providers and most recently finance companies and continue to make Payday Loans, at even higher interest rates (or fees), which always exceed the Check Cashers Act of 1999 with no repercussions from the Arkansas State Board of Collection Agencies, Division of Check Cashers.

You would think that a regulatory agency would be respected by those they regulate. But it is clear from this study that many Check Cashers/Payday Lenders are not licensed and continue to do business with no repercussions from the State of Arkansas.

Study after study by many consumer groups and state agencies have shown time and time again that Payday Lending is nothing but a “debt trap” for consumers that can least afford the Check Cashers/Payday Lenders service. Attached, as Appendix 7 is a list of Major Payday Lending Studies that clearly document this statement.

It is time to STOP Payday Lending in the great State of Arkansas. These transactions are clearly loans and are illegal based on our State Constitution. No one is protecting Arkansas consumers from this public nuisance, except the law firm of Arnold, Batson, and Turner & Turner. It is time for our State to stand up for its citizens.



Who is Arkansans Against Abusive Payday Lending (AAAPL)

In late 2003 the Arkansas Advocates for Children and Families organized a group of consumer, government and business leaders into a working group called the High Cost of Being Poor Advisory Group. They brought together such diverse organizations as the AARP, the Federal Reserve Bank, Arkansas Attorney General's Office, Cooperative Extension Service, Arkansas Advocates for Children and Families, Arkansas Federal Credit Union, Consumer Credit Counseling Service, ACORN, the Good Faith Fund, the UALR Department of Business, as well as local attorneys.

This Advisory Group sought to identify practices that prevent families from sustaining adequate incomes or maximizing the income they do receive. Of the many high cost financial practices identified and studied by this group by far the most egregious practice and most immediate problem to the working poor addressed by this group was Payday Lending.

At the final meeting of this Advisory Group H. C. "Hank" Klein, President/CEO of Arkansas Federal Credit Union proposed the formation of Arkansans Against Abusive Payday Lending (AAAPL). This informal organization of Arkansans is dedicated to improving the lives of the citizens (particularly the working poor) of the State of Arkansas by removing abusive payday lending from our fair state.

AAAPL has no membership fee, no annual dues, no income, and no expenses. It is simply a gathering together of individuals and groups who will take every opportunity to work with other Arkansans in ridding our state of abusive payday lending. If you would like to join please contact the following:

Arkansans Against Abusive Payday Lending
P. O. Box 9
Jacksonville, Arkansas 72078-0009
501/982-1000, Ext. 261
stopabusiv paydaylending@afcu.org



Appendix 1
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004
Lawsuits Filed Against Payday Lenders

Payday Lender	Street Address	Phone Number	Additional Comments
ACE America's Cash Express #6807	#6 Crestview Plaza Jacksonville, AR	CLOSED	Settled two class action lawsuits and converted to Rent-A-Bank model. Business now closed.
Advance America	2021 N. 1st Street Jacksonville, AR	501-241-2558	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank.
American Check Cashers	912 West Main Jacksonville, AR	501-985-3116	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mt. Rushmore Loan Co. (MRLC), Sioux Falls, SD.
American Check Cashers	509 JP Wright Loop Rd Jacksonville, AR	501-457-5060	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mt. Rushmore Loan Co. (MRLC), Sioux Falls, SD.
First American Cash Advance	2126 N. 1st Street Jacksonville, AR	501-985-1613	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.
ACE America's Cash Express #2108	3422 Pike Avenue North Little Rock, AR	501-405-0796	Settled two separate class action lawsuits and then discontinued Payday Lending.
Advance America	4714 JFK Blvd. North Little Rock, AR	501-753-3967	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank.
American Check Cashers	4610 JFK Blvd. North Little Rock, AR	501-771-2100	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans provided through Mount Rushmore Loan Co. (MRLC) Sioux Falls, SD.
Eagle Payday Advance	5400 JFK Blvd. North Little Rock, AR	501-771-6800	Recently Settled a Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A.
USA Check Cashers of LR, Inc.	3823 Camp Robinson Rd., North Little Rock, AR	501-753-3272	Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A., currently pending. They no longer provide Payday Loans.
ACE America's Cash Express - #2102	6416 Asher Ave. Little Rock, AR	501-562-2274	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co.
ACE America's Cash Express - #2106	7508 Geyer Springs Road; Little Rock, AR	501-562-4807	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co.

Payday Lender	Street Address	Phone Number	Additional Comments
ACE America's Cash Express - #2111	1100 E. Roosevelt Little Rock, AR	501-372-4886	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co.
ACE America's Cash Express - #2126	310 Broadway Little Rock, AR	501-370-9488	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co.
ACE America's Cash Express - #1611	6420 Asher Avenue Little Rock, AR	972-550-5000	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co.
ACE America's Cash Express - #6806	8824 Geyer Springs Road Little Rock, AR	972-550-5052 CLOSED	Settled two separate class action lawsuits and then closed office.
Advance America - Cash Advance Centers	3700 S. University, Little Rock, AR	501-568-1980	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank.
Advance America - Cash Advance Centers	9112 N. Rodney Parham, Ste. 125, Little Rock, AR	501-954-7881	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank.
Advance America - Cash Advance Centers	8817 Geyer Springs Road Little Rock, AR	501-570-0308	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank.
American Check Cashers	1608 S. University Little Rock, AR	501-666-6667	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD.
Check-N-Go	3408 S. University Ave. Little Rock, AR	CLOSED	Settled a Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A. Business now closed.
First American Cash Advance	6420 Asher Ave. #10 Little Rock, AR	501-568-3120	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.
First American Cash Advance	8824 Geyer Springs Road Little Rock, AR	501-569-9426	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.
ACE America's Cash Express #6827	201 Highway 65 North Conway, AR	972-550-5000 CLOSED	Settled two separate class action lawsuits and then stopped making Payday Loans. Business now closed.
Advance America	895 Oak Conway, AR	501-328-3294	Settled a Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A., then converted to a Rent-A-Bank. Loans now provided through Venture Bank.
Central Check Cashers	30 MacArthur Drive Conway, AR	CLOSED	Business now closed - Sued by Arnold, Batson, Turner & Turner, P.A. - Judgment received.

Payday Lender	Street Address	Phone Number	Additional Comments
Check Mart, Inc.	803 Harkrider, Suite 13 Conway, AR	501-329-5220	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Dakota Loan Co., Sioux Falls, SD.
CHEK MATE #4	1825 E. Oak Conway, AR	501-327-5340	Settled a Class Action Lawsuit. Loans provided through Chek-Mate in Hot Springs.
First American Cash Advance	1105 Fendley Drive Conway, AR	501-328-9946	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.
Showmethemoney	505 Industrial Blvd. Conway, AR	501-327-0331	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD.
American Check Cashers	56 Phoenix Village Sq. Fort Smith, AR	479-646-3000 wrong number	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD.
American Check Cashers	3627 Midland Boulevard Fort Smith, AR	479-785-3682	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through MOUNT RUSHMORE LOAN CO., SIOUX FALLS, SD.

Appendix 2
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004
Rent-A-Bank Offices

Bank Name	Street Address	City	State	Zip Code	Phone Number	Payday Lenders that use Bank	Payday Lender Address	Licensed with ASBCA
Community State Bank	215 West 4th Avenue or P.O. Box 110	Milbank	SD	57252	1-888-267-4810 or 1-605-432-5111	First American Cash Advance	2126 N. 1st Street Jacksonville, AR	NO
						First American Cash Advance	4012 JFK Blvd. North Little Rock, AR	NO
						First American Cash Advance	6420 Asher Ave. #10 Little Rock, AR	NO
						First American Cash Advance	8824 Geyer Springs Road Little Rock, AR	NO
						First American Cash Advance	1105 Fendley Drive Conway, AR	NO
Republic Bank and Trust Co.	601 West Market Street	Louisville	KY	40202	1-888-782-3333	ACE America's Cash Express - #2102	6416 Asher Ave. Little Rock, AR	YES License #0234
						ACE America's Cash Express - #2106	7508 Geyer Springs Road; Little Rock, AR	YES License #0235
						ACE America's Cash Express - #2111	1100 E. Rossevelt Little Rock, AR	YES License #0239
						ACE America's Cash Express - #2126	310 Broadway Little Rock, AR	YES License #0236
						ACE America's Cash Express - #1611	6420 Asher Avenue Little Rock, AR	YES License #0472
Venture Bank	721 College Street	Lacy	WA	98503	1-888-373-2265 or 1-360-456-0880	Advance America - Cash Advance Centers	2021 N. 1st Street Jacksonville, AR	NO
						Advance America - Cash Advance Centers	4714 JFK Blvd. North Little Rock, AR	NO
						Advance American - Cash Advance Centers	3700 S. University, Little Rock, AR	NO
						Advance American - Cash Advance Centers	9112 N. Rodney Parham, Ste. 125, Little Rock, AR	NO
						Advance American - Cash Advance Centers	8817 Geyer Springs Road Little Rock, AR	NO
						Advance American - Cash Advance Centers	895 Oak Conway, AR	NO

Appendix 3
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004
Payday Lenders Issuing Internet Rebate Loans

Payday Lender	Street Address	City	State	Phone Number
Planet Cash	4718 JFK Blvd.	North Little Rock	AR	1-501-791-2500
Money in a Flash.net	7212 Geyer Springs Road	Little Rock	AR	1-501-568-1468
Planet Cash	923 Broadway	Little Rock	AR	1-501-374-2221
Planet Cash	3026 S. University	Little Rock	AR	1-501-568-3100
Conway Cash-Net	813 Oak Street	Conway	AR	1-501-513-0400
Southside Internet	6200 Hwy. 271 S.	Fort Smith	AR	1-479-646-7099

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Jacksonville, Arkansas											
Population: 29,916.											
Per Capita Income: \$17,131											
Median Household Income: \$37,556											
Average Household Income: \$44,751											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
ACE America's Cash Express #6807	#6 Crestview Plaza Jacksonville, AR	CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	Settled two class action lawsuits and converted to Rent-A-Bank model. Business now closed.	YES License #0471	N/A
Advance America	2021 N. 1st Street Jacksonville, AR	501-241-2558	NO	NO	NO	YES	\$345.00	391.06%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank.	NO	YES
American Check Cashers	912 West Main Jacksonville, AR	501-985-3116	YES	YES	NO	YES	\$349.00	426.00%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mt. Rushmore Loan Co. (MRLC), Sioux Falls, SD. Paychecks cashed at 1% for computer generated checks; 6% for first time regular paychecks and 3% next time; Government checks at 3%.	YES License # 0123	NO
American Check Cashers	509 JP Wright Loop Rd Jacksonville, AR	501-457-5060	NO	YES	NO	YES	\$349.00	426.00%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mt. Rushmore Loan Co. (MRLC), Sioux Falls, SD. Not set up to cash checks yet.	NO	NO
C & B - Jewelry Exchange & Loan Co.	84 Municipal Drive Jacksonville, AR	501-982-4478	YES	YES	NO	NO	N/A	N/A	Pawn Shop. Paychecks cashed at 3%, Government checks at 3%.	NO	N/A
E-Z Check Cashing	424 W. Main Jacksonville, AR	501-985-8500	YES	YES	NO	NO	N/A	N/A	Paychecks cashed at 3%, Government checks at 3%, and two party checks at 5%.	YES License # 0454	N/A
First American Cash Advance	2126 N. 1st Street Jacksonville, AR	501-985-1613	NO	NO	NO	YES	\$354.00	469.29%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.	NO	YES
Check Cashers/Payday Lenders - 3 licensed, 4 not licensed, - 1 closed = Total 6											
Check Casher/Payday Lender for every 4,986 residents.											

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Sherwood, Arkansas											
Population: 22,122.											
Per Capita Income: \$23,770											
Median Household Income: \$47,732											
Average Household Income: \$56,870											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
EZ Check Cashing	8122 JFK St. B Sherwood, AR	501-834-8200	YES	YES	YES	NO	N/A	N/A	Western Union pick up. No information out, not helpful. No business cards. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0393	N/A
Partners Check Service	8000 Hwy 107 Sherwood, AR	501-835-5061	YES	NO	NO	YES	\$344.44	Not Known	Pawn Shop. Loan in-house. Paychecks cashed at 10%. Government checks cashed at 5%.	YES License # 0183	NO
Check Cashers/Payday Lenders - 2 licensed, 0 not licensed = Total 2											
Check Casher/Payday Lender for every 11,061 residents.											

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

North Little Rock, Arkansas											
Population: 59,965.											
Per Capita Income: \$20,882											
Median Household Income: \$37,518											
Average Household Income: \$48,289											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
ACE America's Cash Express #2108	3422 Pike Avenue North Little Rock, AR	501-405-0796	YES	NO	NO	NO	N/A	N/A	Settled two separate class action lawsuits and then discontinued Payday Lending. Express Machine only. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0237	YES
Advance America	4714 JFK Blvd. North Little Rock, AR	501-753-3967	NO	NO	No	YES	Cannot give out over phone.	Cannot give out over phone.	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank. Loan amounts from \$100 - \$700.	NO	YES
American Check Cashers	4610 JFK Blvd. North Little Rock, AR	501-771-2100	YES	YES	NO	YES	\$345.00 + \$4.00 fee	391.06%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans provided through Mount Rushmore Loan Co. (MRLC) Sioux Falls, SD. 1% fee to cash payroll check. 5% for government check; Need 30-day statement, pay stub, and driver's license.	YES License # 0126	NO
Cash Advance of NLR	4700 Camp Robinson Road North Little Rock, AR	501-812-5550	YES	NO	NO	YES	\$345.00 + \$4.00 fee	391.06%	Loans provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD. Paychecks cashed at 6% first time, then 3%. Government checks cashed at 3%.	YES License # 0090	NO
Eagle Payday Advance	5400 JFK Blvd. North Little Rock, AR	501-771-6800	NO	NO	NO	YES	\$66.67 for \$50 \$440 for \$400	Does not know % rate	Recently Settled a Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A. Owned by 2 local businessmen. Very strict policy. Must borrow 3 times at \$50 before being allowed to borrow more. First \$100 would cost \$5 - you would get \$95.00.	YES License # 0345	NO
First American Cash Advance	4012 JFK Blvd. North Little Rock, AR	501-758-7311	NO	NO	NO	YES	\$354.00 in 7 days	938%	Loans provided through Community State Bank, Milbank, SD. Need recent checking acct., recent phone bill, 2 forms ID, proof of income. Also noted on business card payment, reminder, and due date.	NO	YES
Pay Day Advance	Camp Robinson Road North Little Rock, AR	Not in phone book	unknown	YES - \$0.50	unknown	YES	\$345.00 + \$4.00 fee	391.06%	Loans provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD. Dumpy place, bullet proof glass cages, and boarded windows. Mt. Rushmore (MRLC) notice posted on back of cage. They also provided a phone service.	NO	NO
Planet Cash	4718 JFK Blvd. North Little Rock, AR	501-791-2500	NO	NO	NO	YES	\$360.00	Not Known	Internet Rebate Company;	NO	NO
USA Check Cashers of LR, Inc.	3823 Camp Robinson Rd., North Little Rock, AR	501-753-3272	YES - 10%	YES	YES - \$1.00 fee	NO	N/A	N/A	Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A., currently pending. They no longer provide Payday Loans. They do provide Western Union service. Paychecks cashed at 2%; Government checks at 2% - but must verify all funds.	YES License # 0172	N/A
Check Cashers/Payday Lenders - 5 licensed, 4 not licensed = Total 9											
Check Casher/Payday Lender for every 6,663 residents.											

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Little Rock, Arkansas											
Population: 184,652											
Per Capita Income: \$25,118											
Median Household Income: \$40,346											
Average Household Income: \$57,589											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
ACE America's Cash Express - #2102	6416 Asher Ave. Little Rock, AR	501-562-2274	YES	YES	NO	YES	\$352.92	459.98%	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co. Payback \$17.64 per \$100. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0234	YES
ACE America's Cash Express - #2106	7508 Geyer Springs Road; Little Rock, AR	501-562-4807	YES	YES	NO	YES	\$352.92	459.90%	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0235	YES
ACE America's Cash Express - #2111	1100 E. Roosevelt Little Rock, AR	501-372-4886	YES	YES	NO	YES	\$352.92	459.90%	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0239	YES
ACE America's Cash Express - #2126	310 Broadway Little Rock, AR	501-370-9488	YES	YES	NO	YES	\$352.92	459.90%	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0236	YES
ACE America's Cash Express - #1611	6420 Asher Avenue Little Rock, AR	972-550-5000	YES	YES	ONLY PH BILL	YES	\$352.98	459.98%	Settled two separate class action lawsuits and then converted to a Rent-A-Bank. Loans now provided through Republic Bank and Trust Co. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0472	YES
ACE America's Cash Express - #6806	8824 Geyer Springs Road Little Rock, AR	972-550-5052 CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	Settled two separate class action lawsuits and then closed office. Moved to 7508 Geyer Springs Rd	YES License # 0473	N/A
Advance America - Cash Advance Centers	3700 S. University, LR	501-568-1980	NO	NO	NO	YES	\$345.00	391.06%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank. Payback for loans \$15-\$25 per \$100.	NO	YES
Advance America - Cash Advance Centers	9112 N. Rodney Parham, Ste. 125, LR	501-954-7881	NO	NO	NO	YES	\$345.00	391.06%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank. Payback for loans \$15-\$25 per \$100.	NO	YES
Advance America - Cash Advance Centers	8817 Geyer Springs Road Little Rock, AR	501-570-0308	NO	NO	NO	YES	\$345.00	391.07%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank. Rates varied for amount of loan.	NO	YES
American Check Cashers	1608 S. University Little Rock, AR	501-666-6667	YES	YES	YES	YES	\$345.00	391.06%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD. Paychecks cashed at 6% first time, then at 3%; Government checks at 3%; Check cashing for up to \$700. Payback for loans \$7.50 per \$50 or \$15.00 per \$100 + \$4 fee.	YES License # 0127	NO

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Little Rock, Arkansas - Page 2											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
Arkansas Select Insurance & Financial #3	6420 Asher Avenue #3 Little Rock, AR	501-329-1559 CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	Business now closed for summer - Coming: Income Tax Classes; Company name is now Tax Service (Arkansas Select Tax Service).	YES License # 0434	N/A
Cash Advance of LR Inc.	800 John Barrow Rd, Suite 18, Little Rock, AR	501-228-9503	YES	YES	BUDGE PH	YES	\$345.00	391.06%	Loans provided through Mount Rushmore Loan Co., (MRLC). Sioux Falls, SD. Payback for loans \$15 per \$100. Paychecks cashed at 6% first time; 3% next time; Government checks cashed at 3%.	YES License # 0326	NO
Cash Advance of LR Inc.	8635 Chicot Rd Little Rock, AR	501-562-5282	YES	YES	NO	YES	\$345.00	391.06%	Loans provided through Mount Rushmore Loan Co., (MRLC). Sioux Falls, SD. Payback for loans \$15 per \$100. Paychecks cashed at 6% first time; 3% next time; Government checks cashed at 3%.	YES License # 0165	NO
Check-N-Go	3408 S. University Ave. Little Rock, AR	CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	Settled a Class Action Lawsuit brought by Arnold, Batson, Turner & Turner, P.A. Business now closed.	NO	N/A
Check One	6501 Geyer Springs Rd. Little Rock, AR	CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	Business now closed.	NO	N/A
DeLuxe Check Cashing	14705 Hwy. 365 S. Suite B Little Rock, AR	501-897-4080	YES	NO	NO	YES	N/A	N/A	Trying to get bond for payday loans now, but can't right now. Paychecks cashed at 3%; Government checks at 3%.	YES License # 0339	N/A
Discount Tobacco #6	8912 Stagecoach Rd. Ste 1 Little Rock, AR	501-455-5513	NO	NO	NO	YES	\$340.00	347.619	Said all she new was they were a tobacco store and the other office was in Ft. Smith and they just did what they told when the paperwork came in. Need ID, pay stub, bank stmt.	YES License # 0461	NO
First American Cash Advance	6420 Asher Ave. #10 Little Rock, AR	501-568-3120	NO	NO	NO	YES	\$354.00	469.29%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD. \$18 per \$100. Up to 938.57%.	NO	YES
First American Cash Advance	8824 Geyer Springs Road Little Rock, AR	501-569-9426	NO	NO	NO	YES	\$354.00	469.29%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.	NO	YES
Kwik Cash	19944 Arch Street Pike Little Rock, AR	870-942-3061 Answering Machine	-	-	-	-	-	-	Could not find and was located in a part of town that I did not need to be in.	YES License # 0475	Unknown
Money in a Flash.net	7212 Geyer Springs Road Little Rock, AR	501-568-1468	NO	NO	NO	YES	\$360.00	Not Known	Internet Rebate Company; Provides Internet Rebate Service. Payback for loan \$60 B-Weekly-1 yr.	NO	NO
Planet Cash	923 Broadway Little Rock, AR	501-374-2221	NO	NO	NO	YES	\$360.00	Not Known	Internet Rebate Company; Provides Internet Rebate Service. Payback for loan \$60 B-Weekly-1 yr.	NO	NO
Planet Cash	3026 S. University Little Rock, AR	501-568-3100	NO	NO	NO	YES	\$360.00	Not Known	Internet Rebate Company; Provides Internet Rebate Service. Payback for loan \$60 B-Weekly-1 yr.	NO	NO
USA Check Cashers	8414 Geyer Springs Road Little Rock, AR	501-568-6220 - no answer	YES	NO	YES	NO	N/A	N/A	Just Cashed Check, WU Wires, Utilities; Paychecks cashed at 2%; Government checks at 2%.	YES License # 0173	N/A
Check Cashers/Payday Lenders - 15 licensed, 8 not licensed, - 4 closed = 19 Total											
Check Casher/Payday Lender for every 9,719 residents.											

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Conway, Arkansas											
Population: 46,346											
Per Capita Income: \$19,685											
Median Household Income: \$39,328											
Average Household Income: \$50,767											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
ACE America's Cash Express #6827	201 Highway 65 North Conway, AR	972-550-5000 CLOSED	YES	N/A	N/A	N/A	N/A	N/A	Settled two separate class action lawsuits and then stopped making Payday Loans. Could not find - called number and they stated that it was a check cashing machine only; went back out looking for it but cannot find a machine. Paychecks cashed at 3%; Government checks at 3%. Business now closed.	YES License #0470	NO
Advance America	895 Oak Conway, AR	501-328-3294	NO	NO	NO	YES	\$345.00 (15%)	391.00%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Venture Bank. Received coupons for referrals.	NO	YES
Arkansas Select Insurance & Financial	400 South Hark rider St. Conway, AR	501-329-1551 CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	No Longer in Service - Closed for Summer - Coming: Income Tax Classes; Company name is now Tax Service (Arkansas Select Tax Service)	YES License #0403	N/A
Arkansas Select Insurance & Financial #2	605 Oak Street Conway, AR	501-329-1551 CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	No Longer in Service - Closed for Summer - Coming: Income Tax Classes; Company name is now Tax Service (Arkansas Select Tax Service)	YES License #0433	N/A
CASH'N'CHECKS	1024 Main & Chestnut Conway, AR	501-327-3278	YES	YES - \$0.50	YES	YES	\$344.44 (10%+\$10 fee)	not posted	Loans provided through own company. Has no clue what APR means. Only does \$300.00 max with payback in two weeks. Paychecks cashed at 3%, Government checks at 3%.	YES License # 0150	NO
Central Arkansas Gun & Pawn	264 Highway 65 North Conway, AR	501-513-9522	NO	NO	NO	YES	\$366.60	not posted	Has no clue what APR means. Only does \$300.00 max with payback in two weeks.	YES License #0001	NO
Central Check Cashers	30 MacArthur Drive Conway, AR	CLOSED	N/A	N/A	N/A	N/A	N/A	N/A	Business now closed - Sued by Arnold, Batson, Turner & Turner, P.A. - Judgment received.	NO	N/A
Check Mart, Inc.	803 Harkrider, Suite 13 Conway, AR	501-329-5220	YES	NO	NO	YES	\$356.00 (18.67%)	486.75%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Dakota Loan Co., Sioux Falls, SD. Paychecks cashed at 6%, Government checks at 5%.	NO	NO
CHEK MATE #4	1825 E. Oak Conway, AR	501-327-5340	YES	NO	NO	YES	\$345.00 (15%)	391.00%	Settled a Class Action Lawsuit Loans provided through Chek-Mate in Hot Springs. Paychecks cashed at 5%, Government checks at 3%.	YES License # 0268	NO
Conway Cash-Net	813 Oak St. Conway, AR	501-513-0400	NO	NO	NO	YES	\$360.00 (20% no fee)	not posted	Provides Internet Rebate Services. \$5 cash reward for internet referral. Has no clue what APR means. Only does \$300.00 max with payback in two weeks.	NO	NO
Conway Quick Cash	603 Court St., Suite 1 Conway, AR	501-327-5211	YES	YES - \$0.69	NO	YES	\$360.00	not posted	Loans provided through Roaring River Finance Co., Inc., Missouri. Paychecks cashed at 3%, Government checks at 3%.	NO	NO
First American Cash Advance	1105 Fendley Drive Conway, AR	501-328-9946	NO	NO	NO	YES	\$354.00	469.00%	Settled a Class Action Lawsuit, then converted to a Rent-A-Bank. Loans now provided through Community State Bank, Milbank, SD.	NO	YES
Showmethemoney	505 Industrial Blvd. Conway, AR	501-327-0331	YES	YES - \$0.50	YES - Budget Telephone	YES	\$345.00 (15%+\$4 fee)	391.07%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD. Paychecks cashed at 3%, Government checks at 3%.	YES License # 0116	NO
Check Cashers/Payday Lenders - 7 licensed, 6 not licensed, - 4 closed = 9 Total											
Check Casher/Payday Lender for every 5,150 residents.											

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Fort Smith, Arkansas											
Population: 82,910											
Per Capita Income: \$20,253											
Median Household Income: \$34,574											
Average Household Income: \$49,359											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
American Check Cashers	56 Phoenix Village Sq. Fort Smith, AR	479-646-3000 - wrong number	YES	YES	YES - Prepd. Phone Service	YES	\$349.00	426.00%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD. Flashing neon sign says \$100-\$700. sign by window.	YES License # 0122	NO
American Check Cashers	3627 Midland Boulevard Fort Smith, AR	479-785-3682	YES	YES	YES	YES	\$349.00	426.00%	Settled a Class Action Lawsuit, then converted to a Rent-A-Finance Company. Loans now provided through MOUNT RUSHMORE LOAN CO., SIOUX FALLS, SD. Payroll checks cashed from 1% to 6% - they need to see check first; Government checks cashed from 3% to 6% - they need to see check first.	YES License # 0118	NO
AA Check Cashers, Inc.	2222 Rogers Ave. Fort Smith, AR	479-782-1190	YES	YES	YES	YES	\$350.00	Does not know how boss figures	Payday loans done in-house. Fax and copying. Payroll checks cashed at 4%. Government checks at 4%; Personal checks at 10%.	NO	NO
The Check Cashing Store	3822 Midland Boulevard Fort Smith, AR	479-478-9448 - no answer	YES	YES	YES	YES	\$344.44	Says fees only.	I could not find a bank name.	YES License # 0467	NO
The Check Cashing Store	2012 Rogers Ave. Fort Smith, AR	479-783-3004	YES	YES	YES - OG&E Only	YES	\$344.44	Says it is just a fee. Does not know %.	Cash checks in town at 2%; Out of town 3%. Government checks 3%. \$350 maximum loan.	YES License # 0168	NO
The Check Cashing Store	1913 Towson Avenue Fort Smith, AR	479-478-9448 - no answer	YES	YES	YES	YES	\$344.44	Says fees only.	Lady said the bus. Is owned by an individual owner. They operate on a Deferred Deposit Agreement.	YES License # 0008	NO
Checks 2 Cash	4117 Grand Avenue Fort Smith, AR	479-783-2274	YES	YES	NO	YES	\$349.00 - \$45 + \$4 fee	They don't know %.	Loans provided through MRLC. Paychecks cashed at 1%; Government checks at 3%.	YES License # 0128	NO
Discount Tobacco #1	2000 Rogers Avenue Fort Smith, AR	479-494-7740	NO	NO	NO	YES	\$330.00	347.62%	LADY TOLD ME THAT THEY DID NOT HAVE A SUPPORTING BANK - They do loans in-house.	YES License # 0456	NO
Discount Tobacco #2	88 Phoenix Village Fort Smith, AR	479-649-0031	NO	NO	NO	YES	\$330.00	347.62%	NO BANK - They do loans in-house.	YES License # 0457	NO
Discount Tobacco #3	3811 North O Street Fort Smith, AR	479-783-6885	NO	NO	NO	YES	\$330.00	347.62%	NO BANK - They do loans in-house.	YES License # 0458	NO
Discount Tobacco #4	9001 Rogers Avenue, Ste B Fort Smith, AR	479-484-5948	NO	NO	NO	YES	\$330.00	347.62%	NO BANK - They do loans in-house.	YES License # 0459	NO
Discount Tobacco #5	9101 Highway 71 South Fort Smith, AR	479-648-0806	NO	NO	NO	YES	\$330.00	347.62%	NO BANK - They do loans in-house.	YES License # 0460	NO

Appendix 4
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004

Fort Smith, Arkansas - Page 2											
Name of Business	Address	Phone Number	Cash Checks?	Money Orders?	Utility Payments?	Payday Loans?	Payback for 14 days for \$300 Loan	\$300 Loan APR%	Additional Comments:	Licensed with ASBCA	Rent-a-Bank
Discount Tobacco #7	2910 Midland Boulevard Fort Smith, AR	479-783-2696	NO	NO	NO	YES	\$330.00	347.62%	NO BANK - They do loans in-house.	YES License # 0462	NO
Mr. Payroll of Fort Smith	3638 Midland Boulevard Fort Smith, AR	479-646-3637	YES	NO	NO	NO	N/A	N/A	Paychecks cashed at 1%; Government cashed at 3%.	YES License # 0167	NO
Mr. Payroll of Fort Smith	6217 Hwy. 271 S. Fort Smith, AR	479-646-3637	YES	YES - free	NO	NO	N/A	N/A	1% fee for payroll check cashing and 3% for tax refund checks. NO SUPPORTING BANK	YES License # 0168	NO
Payday Advance	4605 Towson Fort Smith, AR	479-646-2274	YES	YES - \$0.50	NO	YES	\$349.00 - \$45 + \$4 fee	391.06%	Loans provided through Mount Rushmore Loan Co. (MRLC), Sioux Falls, SD. Cash payroll check 1%; Government checks cashed at 3%; personal 10%, Max \$100 check. Instant tax refunds.	YES License # 0379	NO
Security Commercial Services	3217 South 56th Street Fort Smith, AR	479-452-8147 CLOSED to general public	YES - Not for public; companies only	N/A	N/A	N/A	N/A	N/A	CANNOT FIND THIS PLACE. The address is a residential area and the phone is answered "You have reached ###, sorry we can't come to the phone right now, leave a message and we will get back to you later". Called - they do not cash checks for public - only companies.	YES License # 0450	N/A
Southside Internet	6200 Hwy. 271 S. Fort Smith, AR	479-646-7099	NO	NO	NO	YES	\$360.00	Not Known	Provides Internet Rebate Loans. Payback \$60 on payday. Cease and Desist Order recently issued against this lender by Arkansas Attorney General.	NO	NO
Check Cashers/Payday Lenders - 16 licensed, 2 not licensed, - 1 closed = 17 Total											
Check Casher/Payday Lender for every 4,877 residents.											

Appendix 5
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004
In-State Payday Lenders Using Rent-A-Finance Company Model

Bank Name	Street Address	City	State	Zip Code	Phone Number	Payday Lenders that use Bank	Payday Lender Address	Licensed with ASBCA
Dakota Loan Company	300 North Dakota Ave., Suite 121	Sioux Falls	SD	57104	1-605-334-8288	Check Mart, Inc.	803 Harkrider, Suite 13 Conway, AR	NO
Mount Rushmore Loan Co. (MRLC)	301 North Dakota Ave., Suite 121	Sioux Falls	SD	57104	1-605-334-8288	American Check Cashers	912 West Main Jacksonville, AR	YES License #0123
						American Check Cashers	509 JP Wright Loop Rd Jacksonville, AR	NO
						American Check Cashers	4610 JFK Blvd. North Little Rock, AR	YES License #0126
						Cash Advance of NLR	4700 Camp Robinson Road North Little Rock, AR	YES License #0090
						Pay Day Advance	Camp Robinson Road North Little Rock, AR	NO
						American Check Cashers	1608 S. University Little Rock, AR	YES License #0127
						Cash Advance of LR Inc.	800 John Barrow Rd, Suite 18, Little Rock, AR	YES License #0326
						Cash Advance of LR Inc.	8635 Chicot Rd Little Rock, AR	YES License #0165
						Showmethemoney	505 Industrial Blvd. Conway, AR	YES License #0116
						American Check Cashers	56 Phoenix Village Sq. Fort Smith, AR	YES License #0122
						American Check Cashers	3627 Midland Boulevard Fort Smith, AR	YES License #0118
						Checks 2 Cash	4117 Grand Avenue Fort Smith, AR	YES License #0128
						Payday Advance	4605 Towson Fort Smith, AR	YES License #0379
Roaring River Finance Co.	1203 North Main St., Suite C	Cassville	MO	65625	1-417-846-1134	Conway Quick Cash	603 Court St., Suite 1 Conway, AR	NO

Appendix 6
ARKANSAS FEDERAL CREDIT UNION
Check Cashers/Payday Lenders Study - August 2004
Payday Lending by City Population and Income

City with AFCU Branch	Licensed Check Cashers/Payday Lenders	Non-Licensed Check Cashers/Payday Lenders	Closed Payday Lenders	Total Check Cashers/Payday Lenders	2003 City Population	2003 Average population per Check Cashier/Payday Lender	2003 Median Household Income
Jacksonville, Arkansas	3	4	1	6	29,916	4,986	37,556
Sherwood, Arkansas	2	0	0	2	22,122	11,061	47,732
North Little Rock, Arkansas	5	4	0	9	59,965	6,663	37,518
Little Rock, Arkansas	15	8	4	19	184,652	9,719	40,346
Conway, Arkansas	7	6	4	9	46,346	5,150	39,328
Fort Smith, Arkansas	16	2	1	17	82,910	4,877	34,574
Total	48	24	10	62	425,911	42,455	237,054
Average	8	4	1.67	10.33	70,985	7,076	39,509



Appendix 7 Arkansans Against Abusive Payday Lending (AAAPL)

MAJOR PAYDAY LENDING STUDIES

“New Terms for Payday Loans – High Cost Lenders Change Loan Terms to Evade Illinois Consumer Protections”

April 2004 – 18 Pages

The Illinois payday lending industry developed a new payday loan product in order to evade the 2001 regulations that applied to loans with terms of 30 days or less. As a result, these lenders are no longer subject to short-term loan rules and are essentially an unregulated industry. According to a 2003 study conducted by the Illinois Department of Financial Institutions, only about 3 percent of loans made by payday lenders in Illinois are subject to the 2001 regulations passed to protect consumers and regulated these high cost loans.

Woodstock Institute, 407 S. Dearborn, Suite 550, Chicago, IL 60605;

Phone: (312) 437-8070 Website: www.woodstockinst.org

URL: http://woodstockinst.org/document/alert_26.pdf

Greed: An In-depth Study of the Debt Collection Practices, Interest Rates, and Consumer Base of a Major Illinois Payday Lender

March 2004 - 15 Pages

Payday lenders claim that their business plays an important role in the community. This report, however, shows that a significant portion, if not the vast majority, of payday loan customers face never-ending debt, extreme financial anxiety, and the threat of costly and traumatic litigation. *Greed: An In-depth Study of the Debt Collection Practices, Interest Rates, and Customer Base of a Major Illinois Payday Lender* tells the stories of individuals who were trapped in a payday loan cycle of debt and provides concrete evidence of the aggressive and often litigious payday loan debt collection practices in Chicago. Unless otherwise noted, the findings in this report are based on a sample of 444 debt collection cases filed against payday loan customers by Americash Loans, LLC, one of the biggest payday lenders in the state.

Citizen Action Illinois, 28 East Jackson Blvd., Suite 605, Chicago, Illinois 60604

Phone: (312) 427-2114 Website: <http://www.citizenaction-il.org>

URL: <http://www.citizenaction-il.org/files/GREED%20report%203.10.04.pdf>

Unsafe and Unsound: Payday Lenders Hide Behind FDIC Bank Charters to Peddle Usury

March 2004 – 35 Pages

Banks continue to play a major role in enabling payday loan chains to evade state usury, small loan and payday loan laws. Ten state-chartered FDIC supervised banks are the only financial institutions partnering with pawn chains, check cashers, and payday lenders, following regulatory action by the Comptroller of the Currency, Office of Thrift Supervision, and Federal Reserve.

Consumer Federation of America, 1424 16th Street NW, Suite 604, Washington, D.C. 20036

Phone: (202) 387-6121 Website: <http://www.consumerfed.org>

URL: www.consumerfed.org/pdlrentabankreport.pdf

QUANTIFYING THE ECONOMIC COST OF PREDATORY PAYDAY LENDING

December 2003 – 15 Pages

Unwary U.S. borrowers who rely upon high-interest payday lending for quick cash are caught in a “debt trap” that costs them \$3.4 billion each year, according to a report by the Center for Responsible Lending (CRL). Entitled “Quantifying the Economic Cost of Predatory Payday Lending,” the new CRL study is the first to estimate the annual toll on American consumers by payday lending fees.

The Center for Responsible Lending, 302 W. Main Street, Durham, North Carolina, 72201
Phone: (919) 313-8523 Website: <http://www.responsiblelending.org>
URL: http://www.responsiblelending.org/news_headlines/121803paydaylendingrelease.cfm

“Payday Lenders Burden Working Families and the U. S. Armed Forces”

July 2003 – 8 Pages

Texas has a strong tradition of preventing lenders from exploiting cash strapped families and has prohibited usury since its founding. The state’s finance code currently caps the allowable rate for payday loans at \$4 per month per hundred borrowed plus an up-front \$10 fee to cover processing costs, which together totals 135% to 300% APR interest on most two week loans. But the 450-880% interest actually charged by payday lenders in our survey dwarfs even these generous legal rates. As Mrs. B in her complaint to the OCC, “these people have NO RESPECT for the law”

Consumers Union, Southwest Regional Office, 1300 Guadalupe, Suite 100 Austin, TX 78701-1643,
Phone: (512) 477-4431 Website: <http://www.consumers.org>
URL: www.consumersunion.org/pdf/payday-703.pdf

IN HARM’S WAY – AT HOME: Consumer Scams and the Direct Targeting of America’s Military and Veterans

May 2003 - 67 Pages

Scores of consumer-abusing businesses directly target this country’s active-duty military men and women daily. Military people citing numerous examples tell NCLC that clusters of these businesses exist near every base’s gates – an observation in line with what NCLC found on its own visits to three bases. National Consumer Law Center’s analysis finds many of these businesses violate the law or have far higher costs than are generally available elsewhere to the same consumers.

National Consumer Law Center, 77 Summer Street, 10th Floor, Boston, Massachusetts, 02110
Phone: (617) 542-8010 Website: <http://www.nclc.org>
URL: http://consumerlaw.org/initiatives/military/content/report_military.pdf

“Payday Lending: A Business Model that Encourages Chronic Borrowing”

February 2003 - 25 Pages

The tremendous growth in the demand for very small, short-term loans by credit-constrained households is being largely filled by companies offering payday loans. This study explored the explosive growth of payday lending as a source of short-term consumer credit in low-and moderate-income communities, with a special emphasis on the relationship between industry business practices and the high incidence of perpetual indebtedness in which an increasing number of payday borrowers find themselves.

Michael A. Stegman and Robert Faris, The Economic Development Quarterly,
c/o Sage Publications, 2455 Teller Road, Thousand Oaks, CA 91320;

Phone: (805) 499-9774 Website: www.sagepub.com

URL: http://www.kenainstitute.unc.edu/Centers/CCC/CCC_Publications_Presentations/PaydayChronicEDQ.pdf

“Small Loans, BIG BUCKS: An Analysis of the Payday Lending Industry in North Carolina”

2002 - 14 Pages

Despite the sunset of the state’s payday lending law, payday lenders continue to operate in North Carolina. Payday lenders are affiliating with out-of-state banks to evade the state’s Consumer Finance Act, which limits interest rates on small consumer loans to 36%. The Median annual percentage rate (APR) for a payday loan in North Carolina in 2000 was 419%.

Community Reinvestment Association of North Carolina, P. O. Box 1929, Durham, NC 27701

Phone: (919) 667-1557 Website: <http://www.cra-nc.org>

URL: www.cra-nc.org/small%20loans%20big%20bucks.pdf

“Rent-A-Bank Payday Lending: How Banks Help Payday Lenders Evade State Consumer Protections,”

November 2001 – 46 Pages

This report provides a detailed and up-to-date summary of the legal and legislative status of the payday lending industry around the country. It places particular emphasis on analyzing the most important and controversial trend in payday lending: the growing use of banks to evade state usury laws, small loan rate caps, and, even state payday loan laws. Thwarted by state legislatures and regulators, payday lenders are forming partnerships with a handful of federally insured depository institutions in an effort to evade state laws by taking advantage of banks’ rights to do so. Positively, the report finds that federal bank regulators and state attorney generals are opposing this disturbing “rent-a-bank” trend.

U. S. Public Interest Research Group, 218 D Street, SE, Washington, DC 20003

Phone: (202) 546-9707 Website: www.pirg.org/consumer

URL: www.consumerfed.org/paydayreport.pdf

“Affordable Alternatives to Payday Loans”

March 2001 – 9 pages

Part of the reason for the growth of the payday loan industry is that payday lenders operate in a competitive vacuum. In other words, very few regulated financial institutions offer comparable loan products. However, a few innovative community development credit unions (CDCU's) are beginning to fill the vacuum. Faith Community United Credit Union in Cleveland and Louisiana-based ASI Federal Credit Union offer affordable alternatives to payday loans for their members. Their experiences are instructive of how CDCU's, mainstream credit unions, savings and loans, and banks can establish similar consumer loan products.

Woodstock Institute, 407 S. Dearborn, Suite 550, Chicago, IL 60605;

Phone: (312) 437-8070 Website: www.woodstockinst.org

URL: <http://woodstockinst.org/document/alert16.pdf>

“Sale-Leaseback Lenders Defy Regulation”

February 2001 – 6 Pages

In an effort to evade payday lending regulations Texas payday lenders offer a Sales-Leaseback arrangement which looks just like a payday loan, except that the lenders records the serial number of two appliances. The borrower signs a paper “selling” the appliances to the lender for the amount borrowed, but keeps the appliances for a “rental” payment due each payday.

Consumers Union, Southwest Regional Office, 1300 Guadalupe, Suite 100 Austin, TX 78701-1643,

Phone: (512) 477-4431 Website: <http://www.consumers.org>

URL: www.consumersunion.org/finance/leaseback/payday.htm

“Too Much Month at the End of the Paycheck, Payday Lending in North Carolina”

January 2001 - 55 Pages

Like mushrooms after a spring rain, payday lending outlets have sprung up across North Carolina to meet a seemingly insatiable demand for short-term credit. The outlets provide borrowers with cash advances in return for their post-dated personal checks. Since 1997, the number of payday lenders in this state has grown from zero to more than 1,000 branches, generating over \$535 million in loans and over \$80 million in fees in 1999.

Community Reinvestment Association of North Carolina and the Center for Community Capitalism at the University of North Carolina at Chapel Hill, P. O. Box 1929, Durham, NC 27701

Phone: (919) 667-1557 Website: <http://www.cra-nc.org>

URL: www.cra-nc.org/paycheck.pdf

“Unregulated Payday Lending Pulls Vulnerable Consumers Into Spiraling Debt,”

March 2000 – 9 Pages

In recent years, there have been growing concerns about the ability of lower-income people to accumulate financial assets. Because of the strong economy, new welfare regulations, and continuing immigration, an increasing number of lower-income people are entering the workforce and receiving paychecks regularly. However, lower-income people remain at a disadvantage for building wealth. High-cost credit is one obstacle to asset development for lower-income people, and the payday loan is one example of high-cost credit

This report provides a new analysis of the payday lending industry and its consumers. Using data obtained from the Illinois Department of Financial Institutions (DFI) and various other sources, it finds major faults in the key defenses that the industry has used against stronger consumer regulation.

Woodstock Institute, 407 S. Dearborn, Suite 550, Chicago, IL 60605;

Phone: (312) 437-8070 Website: www.woodstockinst.org

URL: <http://woodstockinst.org/document/alert.pdf>