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Contact: Steve Cleary – AkPIRG – 278-3661

PAYDAY LENDERS CHARGING 390% to 520% INTEREST

- Forum Set to Help Consumers
- National Expert to visit Alaska

PRESS CONFERENCE – SEPT. 2ND, 11:30AM – LOUSSAC LIBRARY

In a recent survey of Payday Lenders in the Anchorage area, the Alaska Public Interest Research Group (AkPIRG) found that these lenders continue to charge consumers alarmingly high interest rates for these short term loans. AkPIRG is sponsoring a forum on Payday Lending from 12-5pm on Tuesday, Sept. 2nd at the Loussac Libraby.

"State law protects consumers who borrow $501, but not those who borrow $499. It doesn't make sense to let business gouge people who need the money the most," state Steve Cleary, AkPIRG Executive Director. "It puts consumers on a treadmill of debt. They can end up paying more interest than they ever borrowed in the first place, with rates over 300%. That's why this forum is so important, both to protect consumers and to educate them," Cleary continued.

Jean Ann Fox of the Consumer Federation of America will be visiting Alaska as part of the forum. Ms. Fox has extensive experience in the Payday Loans across the nation. "Payday lending is operating in Alaska without legal authorization. The legislature has not granted payday lenders an exemption from the general usury law that caps rates in Alaska at 10.25% annual interest rates. Companies that lend less than $500 to consumers are exempt from the Alaska Small Loan Law and are not licensed or regulated as small loan companies by the state. And, the industry is flourishing in that legal vacuum," stated Ms. Fox.

In addition to the forum, AkPIRG is sponsoring two public presentations on Payday Loans. The first is at 7pm on Tuesday, Sept. 2 at the Anchorage History Museum. The second presentation will be in Spanish and English and will be held at 4pm on Wednesday, Sept. 3rd at the Fairview Recreation Center.

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