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State fines unlicensed online payday lender

(Salem) – The Department of Consumer and Business Services issued a cease-and-desist order against online lender Global Payday Loan LLC and fined the company \$90,000 for violating Oregon's payday lending laws.

The unlicensed Utah company loaned seven Oregon consumers between \$100 and \$500 each through its website, payday-loan-yes.com. The company then charged the consumers interest rates between 353 percent and 2,737 percent. One consumer, for example, took out a \$350 loan and was assessed \$175 in finance charges, which equates to an annual interest rate of 588 percent. Payday lenders in Oregon may not charge more than a 36 percent annual percentage rate, and they must be licensed to make loans to Oregonians, even if they are located in another state.

Global Payday Loan also debited consumers' bank accounts for loans that either were not made or that the consumer wanted to cancel. Other violations of the law included making or renewing a payday loan for a term of less than 31 days, renewing an existing payday loan more than two times, charging an origination fee of more than \$10 per \$100 of the loan amount, and failing to give the state access to its records of Oregon loans.

“Oregon law protects consumers from paying excessive interest rates and fees for payday loans, and we will take action when lenders violate the law,” said David Tatman, administrator of the department's Division of Finance and Corporate Securities, which regulates payday lenders. “Consumers also can protect themselves by checking our website or calling us to check on a lender before doing business with them.”

Consumers can check to see if a lender is licensed in Oregon by going to the DFCS website at http://dfcs.oregon.gov/payday_title.html or by calling the department toll-free at 1-866-814-9710.

For a list of enforcement orders against payday and title lending companies, go to http://dfcs.oregon.gov/securities/enf/orders/cf_enforcement_orders_index.html.

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbcs.oregon.gov.