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## Arizona Senate panel votes to extend life of payday loan industry

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PHOENIX — Insisting the industry is needed, a Senate panel voted Monday to keep the payday loan industry alive in Arizona until at least 2012.

The 3-2 party-line vote by the Senate Committee on Financial Institutions and Insurance came over the objections of several groups who insisted there is nothing fair about the short-term loans which, on an annualized basis, carry an interest rate of 400 percent.

But the three Republicans on the panel said while they are troubled by some aspects of the industry, they believe there is a need it is meeting.

The measure is being pushed by the Community Financial Services Association, made up of most of the companies that provide these loans in Arizona.

That's because when lawmakers first agreed to allow these high-interest loans at the beginning of the decade they wanted to see how they work.

So, in essence, lawmakers agreed to a trial: The law authorizing the loans self-destructs in 2010 unless extended.

Industry lobbyist Stan Barnes said that amounts to "a sunset provision on private industry."

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