

Government Accuses National Credit Adjusters of Collecting Usurious and Invalid Payday Loans

<http://www.consumerlitigators.com/2833/consumer-news/government-accuses-national-credit-adjusters-of-collecting-usurious-and-invalid-payday-loans/>

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National Credit Adjusters, LLC is a national “debt clearinghouse” that purchases defaulted payday loans. Grabbing payday loans from all over the nation, National Credit Adjusters attempts to collect them in the respective states. The payday loans associated with Arkansas consumers contain usurious interest rates that are unlawful pursuant to Arkansas law.

Arkansas Sues National Credit Adjusters

The attorney general for Arkansas, [Dustin McDaniel](#), filed a lawsuit against National Credit Adjusters on July 18, 2012 claiming that it illegally collected payday loan debts in Arkansas. National Credit Adjusters is based in Hutchinson, Kansas.

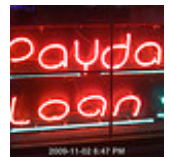
McDaniel alleged in his complaint that National Credit Adjusters allegedly tried to convince Arkansas consumers that the payday loans were enforceable, valid, and could be legally collected in Arkansas.

“We will do our part to protect Arkansas consumers from the illegal actions of the payday lending industry and those entities associated with it,” McDaniel said. “Though we have successfully shut down storefront payday lenders, we will continue to aggressively pursue online lenders who violate Arkansas law or collection agencies like this that attempt to collect on illegal debt.”

In trying to shut down the collection of payday loans by National Credit Adjusters, McDaniel asked a state court for an injunction that will restrain National Credit Adjusters from collecting its payday loans. He also is seeking a court order that will nullify any usurious payday loans in the possession of National Credit Adjusters. In addition to civil penalties and the costs of suit, McDaniel also seeks an order compelling National Credit Adjusters to return money previously collected.

Dozens of Consumers Have Sued National Credit Adjusters

Many consumers across the nation have privately sued National Credit Adjusters for alleged violations of the Fair Debt Collection Practices Act (FDCPA) and various state laws. According to [Justia](#), 122 federal lawsuits were filed against National Credit Adjusters in which plaintiff’s attorneys listed and associated the designation “consumer credit” with the lawsuit. The number of federal lawsuits span from 2006 to the present, and they may roughly indicate National Credit Adjuster’s compliance with consumer protection laws. However, most federal FDCPA lawsuits, including those filed against National Credit Adjusters, settle without any admission of liability or wrongdoing.



The FDCPA was intended to allow private attorney generals – that is, consumers – to police debt collectors. The fact that actual attorney generals believe suits are needed to hem in debt collectors like National Credit Adjusters demonstrates how the FDCPA may need to be amended to protect consumers.

McDaniel’s website provides additional information about his suit against [National Credit Adjusters](#).

Tagged as: [fair debt](#), [fdcpa](#), [national credit adjusters](#), [payday loans](#)

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