

ArgusLeader

Daugaard: State can do without predatory lenders

Dana Ferguson , dferguson@argusleader.com 1:40 p.m. CST December 9, 2016



South Dakota Governor Dennis Daugaard speaks to Argus Leader Media reporters and editors about a variety of issues, including his 2018 budget proposal, on Dec. 9. (Photo: Joe Ahlquist / Argus Leader)

South Dakota will be fine without payday lenders that pay excessive interest rates, Gov. Dennis Daugaard said Friday.

The statement came in response to the news that dozens of short-term lenders across the state plan to shutter following the implementation of a voter-approved cap on the industry's interest rates.

"Certainly to the extent that they were only economically viable because they are subsidized by the earnings from excess interest charges, it's certainly unfortunate, but I don't think it justifies unreasonable interest charges," Daugaard told Argus Leader Media. "So if we have to do without those things, then we have to do without them."

Daugaard last month said he voted for the initiated measure capping interest rates on payday lenders at 36 percent and against an industry-backed initiative that would have created a loophole for lenders.

On Thursday, Chuck Brennan, founder and CEO of Dollar Loan Center, said the closures would expand beyond payday lending storefronts. Brennan Rock & Roll Academy will close its doors this month following the passage of Initiated Measure 21, owners wrote on the academy's website.

Brennan also announced last week that Badlands Motor Speedway is for sale and that Dollar Loan Center locations in the store would no longer offer short-term loans due to the rate cap.