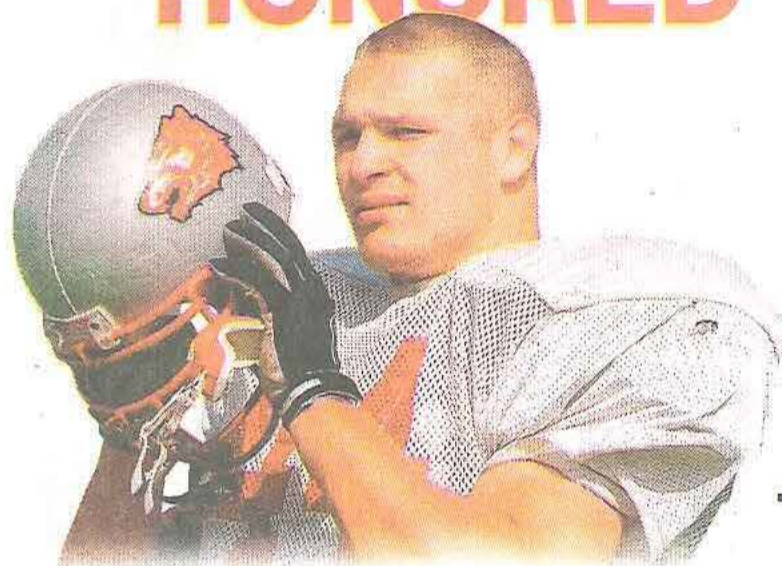


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# ALBUQUERQUE JOURNAL



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FINAL \*\*\*\*

## Speedy Loan to refund millions

### Court orders firm to pay out \$7.3 million

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BY MARIE C. BACA  
JOURNAL STAFF WRITER

A federal court has ruled against a payday loan company in New Mexico in a class action lawsuit that requires the company to return \$7.3 million to a group of nearly 10,000 New Mexicans.

The U.S. District Court for the District of New Mexico ruled that Community Financial Loan Service Centers LLC, which operates here as Speedy Loan, had charged its customers millions of dollars in illegal loans from 2010 to 2014.

As a result of the ruling, handed down Friday, the company must pay a total \$7.3 million to 9,672 New Mexicans involved in the lawsuit. The lead plaintiff was Clara Daye of Gallup, who will receive an additional \$400 in statutory damages and attorney fees.

Nicholas H. Mattison, an attorney for the plaintiffs, said arbitration clauses in the contracts signed by payday loan users often make it impossible to win lawsuits against them. In this case, Speedy Loan did not require its customers to sign a contract that included such a clause, according to Mattison.

"It's fantastic for the people who were harmed by this company," he said.

Donald Kochersberger, an attorney for Speedy Loan, said in a statement that the lawsuit was "the result of a persistent unknown error in Speedy's internal processes and software

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## Speedy Loan ordered to pay \$7.3 million to clients

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resulting (in) the court ruling that it failed to comply with the letter of the law."

The 2007 New Mexico Small Loan Act sets several limitations on payday loan providers, such as restrictions on renewal of the loans, the right to unsecured repayment plans and a fee cap of \$15.50 per \$100 borrowed.

The court ruled that Speedy Loan collected illegal fees on 31,074 loans.

The \$7.3 million judgment represents the amount the court said Speedy illegally collected from its customers.

"While company is greatly disheartened by it, Speedy respects the court's ruling," Kochersberger wrote in his statement.

Speedy Loan operates payday loan sites throughout New Mexico, including three in Albuquerque.