



Partners Catherine Brennan and Allen Denson comment on CA Supreme Court ruling on payday loan interest rates deemed unconscionable

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On August 13, the California Supreme Court ruled that interest rates on consumer loans of \$2,500 or more can be deemed unconscionable under the state's lending laws. This is an important decision that could open the door for future interest rate regulation and consumer lawsuits.

In an article by *Courthouse News Service*, Hudson Cook Partner [Allen Denson](#) said, "What's interesting for me is that I think this will be first of many lawsuits to test this theory. (. . .) Enterprising plaintiff lawyers are absolutely going to start testing it. It opens the door for courts to set interest rate caps impliedly."

Allen also participated in a live radio program, *AirTalk with Larry Mantle* on 89.3 KPCC, a California NPR affiliate, to discuss the ruling. [Click here](#) to listen to the recording.

Partner [Catherine Brennan](#) also commented on the ruling for the *Los Angeles Times* and for *Bloomberg Law*. Catherine told *Bloomberg* that "lenders who offer loans of \$2,500 or more are going to have to review whether their products meet state standards." "That is going to likely lead to some contraction in the California market, at least in the short term," she said. Catherine told the *LA Times*, "If you have APRs that are on the high side, you need to be looking at your program in California."

To read the articles, please click below:

[Courthouse News Service](#)

[LA Times](#)

[Bloomberg](#)

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