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Consumers Should Beware of Unlicensed Money Lenders

PIERRE, S.D. – The South Dakota Department of Labor and Regulation cautions consumers about unlicensed money lenders, both online and in-person.

All lenders providing payday loans, short-term consumer loans, title loans or installment loans to South Dakota residents must be licensed by the South Dakota Division of Banking per SDCL 54-4-52.

“Consumer inquiries and complaints about money lenders have recently spiked,” said State Labor and Regulation Secretary Pam Roberts. “Unlicensed lenders are operating in South Dakota.”

Consumers should confirm a lender is licensed by viewing the current list of licensees on the Division of Banking’s website at dlr.sd.gov/banking. Any unlicensed lenders offering loans should be reported in writing using the online consumer complaint form.

“Consumers who borrow from unlicensed lenders may have limited recourse if issues arise,” said Banking Director Bret Afdahl. “I encourage consumers to contact our office first and exercise good judgment.”

The mission of the Division of Banking is to charter, license, regulate, supervise and provide guidance to South Dakota financial entities in order to instill consumer confidence, protect consumer interests and promote economic stability through a common sense, efficient and risk-focused approach.