



## **\$800,000 in federal loan fraud**

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A couple and their daughter have been charged with fraudulently using \$800,000 in federal loans to buy personal property, including two luxury automobiles. Federal prosecutors said Sergio and Sandra Renteria and their daughter, Kayla Taylor, were charged Tuesday with bankruptcy fraud, conspiracy to impair the Farm Service Agency and illegally disposing of federal property. Taylor was also charged with making a false statement in connection with a loan.

The 18-count indictment said the family obtained multiple loans from the farming agency and then failed to pay them back. They also sold crops and farm equipment that had been pledged as security for the loans, authorities said.

When the couple filed for bankruptcy they concealed assets from the court, the indictment said. It also said Taylor used some of the money to buy two Mercedes-Benz cars, despite telling officials the loan was for farm operations.

### **Japan to change interest rates, as in U.S.**

An advisory panel reporting to the Financial Services Agency is due to draw up by late August proposals on lowering the ceiling on interest rates on consumer loans and dealing with the problem of heavily indebted borrowers, agency officials said Thursday.

Amendments to the existing law based on the proposals are expected to be submitted during an extraordinary Diet session this fall or another session opening next January, they said.

At the panel meeting, which was convened for the first time since this April, Financial Services Minister Kaoru Yosano said there will be a problem if people become unable to borrow money because of excessive tightening of regulations. "It should be advisable to eschew any drastic rule change," the minister said.

In April, the panel debated ambiguities in moneylenders' business practices, which are attributable to two sets of ceilings on maximum lending rates 29.2 percent per year under the Investment Deposit Law and 15 to 20 percent, depending on the amount of principal, under the Interest Rate Control Law.

At the time, the panel proposed the ceiling be lowered from 29.2 percent. The ruling parties the Liberal Democratic Party and the New Komeito party also decided that the rate gap should be abolished by bringing down the ceiling to around 15-20 percent.