



State of Rhode Island  
Office of the General Treasurer

**James A. Diossa**  
General Treasurer

25 February 2025

The Honorable Joseph Solomon  
Chair, House Committee on Corporations

The Honorable Members of the House Committee on Corporations

**RE:** *Concerning 2025-H 5235 – An Act Relating to Commercial Law – General Regulatory Provisions – Interest and Usury*

Chair Solomon:

I write in strong support of 2025-H 5235, which will help reduce medical debt across the state through a cap on interest rates. Economic independence is core to the mission of the Treasurer's Office. Today, however, far too many Rhode Islanders are saddled with medical debts. Unpaid medical bills pose a major impediment to financial security and can carry significant legal and psychological burdens that follow our families, our friends, or our neighbors for years.

Through no fault of their own, an estimated 5.2% of Rhode Islanders struggle under the weight of medical debt according to data by the Kaiser Family Foundation. Unlike most other types of debt, medical debt is usually unexpected and can catch people without a financial plan. According to a report published by the Consumer Finance Protection Bureau, "[t]wo-thirds of medical debts are the result of a one-time or short-term medical expense arising from an acute medical need." The same report found that veterans, older adults, those with disabilities, and minority populations are disproportionately impacted by medical debt relative to national averages. The same holds true in Rhode Island.

Unaffordable and uncapped interest rates play a significant role in perpetuating the cycle of debt. Existing law only prohibits usurious interest rates, which are the greater of 21% per annum or 9% per annum plus the domestic prime rate as published in the Money Rates section of the Wall Street Journal. *See* R.I. Gen. Laws § 6-26-2 (a)-(b). Several states, however, have recognized the unique nature of medical related debts and enacted stricter protections for those specifically encumbered by medical debt. At least nine states either cap interest rates, or prohibit interest entirely on debts

the collector knows to be medical debts.<sup>1</sup> Many of these states prohibit interest entirely on those under certain income levels.

Last session, the General Assembly enacted the Rhode Island Medical Debt Relief Program, housed in Treasury. But as we work to eliminate current and outstanding medical debt, Rhode Islanders continue to accumulate new debt every single day. As a state, we should look for a proactive solution to medical debt. This legislation represents meaningful progress toward achieving that goal.

Respectfully,

A handwritten signature in black ink, appearing to be 'JD' or similar, enclosed within a circular loop.

James A. Diossa  
General Treasurer

cc:               The Honorable Mary Ann Shallcross Smith

---

<sup>1</sup> Those states include our neighbors in Connecticut and Maine, New York, New Jersey, Arizona, Delaware, North Dakota, Washington, and Colorado.