

**Lou Mansolillo**

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**From:** Clara Hardy <clarapvd@gmail.com>  
**Sent:** Wednesday, March 12, 2025 8:37 PM  
**To:** House Corporations Committee  
**Subject:** Support of HB 5042

Dear Chair Solomon and members of the House Corporations Committee,

I am writing to express my support for HB5042 because as a social worker who works with mostly marginalized people, I have seen the desperation of a mother who has no food to feed her children or a mother who can't afford the rent or pay the electric bill to keep the lights on. I work with a 22-year-old woman with 2 young children who sometimes is unable to get to work due to an unreliable car. She struggles to get enough hours of work to meet her financial obligations. Luckily, she has some family support and childcare assistance from the state. Imagine if she had no other support but to resort to a payday loan company to help meet her family's needs. She would continuously be in debt trying to pay off a loan all because her income makes it difficult for her to be financially viable.

Rhode Island is the only New England state that still allows payday lending. Payday loan companies' prey on low-income people with APRs up to 260% that basically keep people in debt for years or even a lifetime. Advocates have been working since 2006 to get a cap of 36% or lower. Although, this bill passed in the House a couple of years ago, it didn't even get a vote in the Senate. I believe the big reason for its unlikely passage is due to powerful lobbyists with political connections representing payday loan companies.

There are better solutions to helping those who are the most in need, mainly by improving opportunities for entering the workforce as well as increasing RI works benefits to 50% of the poverty level to align better with the actual cost of living. There are also better loan options such as the Capital Good Fund and credit unions through their Payday Alternative loan program.

I urge you to take prompt action on this bill by moving it forward to a floor vote. It is about time that it gets done!

Sincerely,

Clara Hardy, LICSW

North Providence