

## **Testimony in Support of H5042**

Dear Members of the House Corporations Committee,

As a Unitarian Universalist and a member of the Rhode Island faith community, I am writing to support House bill 5042, an act which will regulate predatory lending in Rhode Island.

- Payday loans, with an annual interest rate of 260%, are morally wrong – they are usury, plain and simple. And they target the neediest among us and entangle them in a cycle of debt.
- Low-income Rhode Islanders are paying approximately \$3 million in payday lending fees each year. These are the people in our state who can least afford to pay these predatory fees.
- The money these low-income Rhode Islanders pay on the exorbitant payday loan fees could be spent on meeting their basic needs.
- Rhode Island is the only state in New England that still allows payday lending – why is this so? Do we not care?
- There are several legitimate, financially sound alternatives for persons who need small, short-term loans. So why don't we regulate payday lenders in the same way we regulate other financial institutions in the state?

The House supported a similar bill last year. Please pass H5042 this year. Let this be the year predatory lending ends in Rhode Island.

Thank you for your attention and consideration.

Kamila Barzykowski  
Warwick RI