



March 3, 2025

The Honorable Committee Chair,
House Corporations Committee
House Lounge, Rhode Island State House
Providence, RI 02903

RE: H 5042-- Support

Honorable Members,

At Progreso Latino, our mission is to help Rhode Island's Latino and immigrant communities achieve greater self-sufficiency and socio-economic progress by providing transformational programs that support personal growth and social change. Progreso Latino writes in strong support of HB 5042.

Predatory lending is particularly harmful to marginalized communities such as Central Falls because it disproportionately affects individuals and families who already face economic challenges, limited access to credit, and other systemic barriers. By revoking storefront payday lenders to charge an annual interest rate of 260% it allows people of color to build savings and invest in their future. Many of these storefront payday lenders use racial profiling techniques and target certain groups. Immigrants, particularly those without legal documentation, are especially vulnerable to predatory lending. They may not have access to mainstream credit and are often unaware of their rights or the legal protections available to them. Our low-income families who have low wages, unstable employment, and live paycheck to paycheck may feel pressured to take out loans quickly, without fully understanding the long-term consequences. Predatory lenders take advantage of this sense of urgency, offering fast but costly solutions. Predatory Lenders might also take advantage of individuals who face language and cultural barriers. The lack of clear information can be misleading and for others who face low levels of financial literacy. Due to the combination of historical discrimination, economic vulnerability, and systemic barriers it is important that we implement stronger regulatory protections and provide a fair interest rate for all.

Thank you to Representative Alzate and their co-sponsors for their leadership, and thank you to the honorable members of the House Corporations Committee for your consideration of this impactful legislation.

Sincerely,

Jonathan De Jesus

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