

Lou Mansolillo

From: ssedgwick1960@gmail.com
Sent: Tuesday, March 11, 2025 9:06 AM
To: House Corporations Committee
Subject: SUPPORT HR 5042

Honorable Members of the House Corporations Committee:

I write in support of HR 5042, which would rein in payday lending in the state.

- Storefront payday lending is a predatory practice that harms Rhode Islanders and is not legal in any other New England state. It captures Rhode Island borrowers in a cycle of debt that can be difficult to escape.
- Payday loans are targeted at people of color.
- Rhode Islanders are paying approximately \$3 million in payday lending fees each year, a “fee drain” that is mostly going out of state.
- After the U.S. Defense Department determined that predatory lending “undermines the military readiness,” Congress acted in 2006 to protect active-duty military personnel by capping loans to such individuals at 36%. Rhode Islanders deserve the same protection.
- A number of credit unions, national banks, and other financial institutions offer much better alternative small loan products for those with low or no credit.
- No one should be able to charge triple-digit interest rates to Rhode Islanders, including low-income Rhode Islanders in need.

I urge you to favor low-income people over predatory profiteers and support HR 5042.

Thank you.

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