



**Testimony in Support of House Bill 6055**  
**House Committee on Corporations**  
**Andrew Posner, Capital Good Fund**

April 22, 2025

Chair Solomon and members of the House Corporations Committee:

As the Founder and CEO of Capital Good Fund, a Rhode Island-headquartered national nonprofit,<sup>1</sup> I am pleased to submit written testimony on behalf of the organization **in strong support of House Bill 6044**. As a nonprofit community lender providing financial coaching and affordable loans to low-income Rhode Islanders for 16 years, we witness firsthand the devastating impacts of predatory lending, and we know how critical it is to protect Rhode Island borrowers by ending exploitative "rent-a-bank" schemes.

"Rent-a-bank" refers to financial arrangements under which ultra high-cost lenders, operating primarily online or through storefronts, partner with out-of-state banks in states without usury caps—such as Utah—to issue loans at excessively high interest rates, circumventing Rhode Island's legal limits.

Research from Pew Charitable Trusts and the Center for Responsible Lending confirms that these loans trap borrowers in cycles of debt, causing severe financial harm. Over half of these high-cost loans end in default, negatively affecting credit scores and often leading to aggressive collections practices, including wage garnishment. Rather than aiding financial stability, these loans significantly worsen borrowers' situations.

The legislation under consideration (H-6055) would effectively close this loophole by exercising Rhode Island's right under federal law to prohibit the exportation of higher interest rates from other states. Additionally, the "true lender" provisions ensure that lenders cannot simply shift roles superficially to evade compliance with state regulations.

At Capital Good Fund, we provide responsible alternatives—small-dollar loans at fair rates coupled with financial coaching, resulting in high repayment rates and genuine financial stability. Our experience demonstrates clearly that affordable lending is both viable and essential.

Passing this legislation will reinforce Rhode Island's consumer protections, uphold fairness, and ensure local control over lending practices. These consumer protections are more important than ever, between the gutting of the Consumer Financial Protection Bureau and the increasing possibility of rising inflation and a recession: Rhode Islanders can ill-afford to pay triple-digit

---

<sup>1</sup> <https://www.capitalgoodfund.org>



interest rates on loans, in circumvention of Rhode Island law. We urge the Committee to protect Rhode Islanders from these harmful, exploitative financial products by supporting H-6055.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Posner".

Andy Posner  
Founder & CEO  
Capital Good Fund  
401-339-5437  
[andy@capitalgoodfund.org](mailto:andy@capitalgoodfund.org)