

April 24, 2025

Dear Chairman Solomon and Members of the House Corporations Committee:

My name is Rev. William A. Sterrett and I live in Tiverton. I am also pastor of Edgewood Congregational Church UCC in Cranston. I am writing in support of Representative Potter's bill H-6055 to protect Rhode Islanders from predatory interest rates.

As you well know, Rhode Island law limits annual interest rates on loans to 21 – 36%, depending upon the size of the loan. As I am certain you are also aware, there are Rent-a-Bank lenders charging Rhode Islanders interest rates between 100 – 200% annually (seven or eight times the rates Rhode Island banks and credit unions are allowed to charge). Sometimes the interest payments are even higher than the loan amount itself.

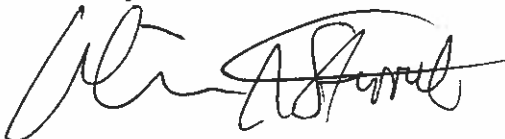
Rhode Islanders already have better alternatives available from many credit unions and banks. I know this because I have been working with a coalition to end PayDay Lending in Rhode Island for 14 years. It is my hope and prayer that this year lawmakers will end this immoral, out-of-hand usury loophole in our legal system. If and when you do, then we are still faced with an outrageous lending practice legally brought in from other states.

Representative Potter's bill would stop these lenders from being able to use out-of-state banks to get around our state's interest rate limits. One way it does this is through closing a federal loophole that allows banks in one state to export their higher interest rates to borrowers in another state. The second way it does this is by making sure that Rhode Island law is clear about who is a lender. It is (or should be) the company that takes on most of the risks and rewards of the loan and not simply a bank that signs a document for a fee.

This is important to me, because, as a follower of Jesus Christ, caring for the least among us is my calling. I struggle with the capitalist system, but I accept that it is a system that I have to live with. But, when this system takes advantage of our poorest and most vulnerable citizen, then I, and all followers of Jesus Christ, must challenge and end this system abuse.

Therefore, I respectfully ask you to vote in favor of bill H-6055 and send it to the full House for a vote.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. A. Sterrett', with a stylized flourish at the end.

Rev. William A. Sterrett
243 Stone Church Rd.
Tiverton, RI 02878
(e) 401-787-8828
sterrett225@gmail.com