

April 24, 2025

The Honorable Joseph J. Solomon, Chair
And Honorable Members
House Corporations Committee
Rhode Island Legislature
Providence, RI 02903

I am a resident of Providence, and write in support of Representative Brandon Potter's bill H-6055 to protect Rhode Islanders from predatory interest rates.

Rhode Island State Law clearly limits the annual interest rates that can be charged on loans to 21% to 36%, depending upon the size of the loan. I have been tracking this issue for too many years now, and have yet to hear a single sound reason as to why our State should allow *any* lender to play by rules that are different than those we set for instate lenders!!!

It is well established that so called "Rent-a-Bank" lenders charge Rhode Islanders interest rates that total seven or eight times the rates Rhode Island banks and credit unions are allowed to charge. ***What is your justification for allowing this practice?*** It is well known that many of our Rhode Island based lenders (banks and credit unions) offer alternative loans on terms that abide by our State rules. ***These rent-a bank operations should be closed down!***

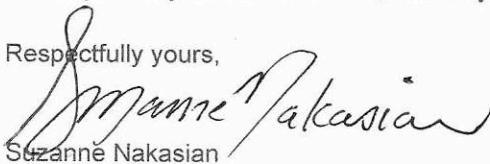
By continuing to allow Rent-A-Banks to get around our State's interest rate limits, you are undermining the financial health of Rhode Islanders, AND undercutting the operation of legitimate law-abiding Rhode Island lending institutions. I further submit that granting exceptions to our State rules, with no justification for those exceptions serves to undermine the public trust!

Representative Potter's bill would close the federal loophole that allows banks in one state to export their higher interest rates to borrowers in another state. It would also make sure that our State law is more clear in defining a "true" lender as one that takes on both the risks and rewards of the loan, and NOT an entity that signs a document for a fee.

These are hard times for Rhode Island residents! Don't make them harder by continuing to allow unjust lending practices. I urge you to vote in favor of H-6055 and send it to the full House for a vote.

Thank you for your consideration, and for your service to this great state!

Respectfully yours,

A handwritten signature in cursive script, reading "Suzanne Nakasian". The signature is written in dark ink and is positioned above the printed name.

Suzanne Nakasian
98 Irving Avenue
Providence RI 02906