



March 2, 2026

The Honorable Representative Joseph Solomon, Jr., Chair  
House Corporations Committee  
Rhode Island State House  
Providence RI 02903

**RE: TESTIMONY IN SUPPORT OF HOUSE BILL 7850 –  
AN ACT RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS -- INTEREST  
AND USURY**

Chair Solomon and Members of the House Corporations Committee:

On behalf of United Way Rhode Island, we strongly support H 7850. The bill strengthens protections against deceptive lenders actively evading Rhode Island's interest rate limits and lending rules. United Way's policy and advocacy efforts follow our strategic framework: **Strong Families, Strong Nonprofits, Strong United Way**. We prioritize policies that strengthen household stability, expand access to opportunity, and ensure public investments deliver measurable value.

United Way Rhode Island is proud to partner with nonprofit organizations that provide emergency support and financial literacy programming to communities at risk of housing instability. Navigating loan applications and stabilizing opportunities is challenging enough, and Financial Technology companies advertising online approvals complicate matters for households seeking support. The loan products that seem accessible to Rhode Islanders with low financial literacy hide **illegal and predatory APRs between 100% and 200%** through deceptive rent-a-bank schemes.

Economic empowerment efforts, a central tenant of building Strong Families, can be destroyed by a single predatory loan. Failure to make payments on loans with illegal and predatory APRs results in degraded credit scores, further trapping families in a cycle of debt that compromises housing stability and threatens educational and health outcomes for a whole family. The impacts of predatory lending on a community are well-documented, and it is **United Way Rhode Island's mission to build racial equity through systems-change work** and eliminate threats to the effectiveness of economic empowerment programming.

Financial technology companies claim to provide loan products that are otherwise unavailable to Rhode Islanders seeking assistance. However, when Rhode Islanders are seeking assistance, they call United Way Rhode Island for high-quality referrals to utility assistance, food assistance, legal assistance, and dozens of other programs accessible through the **211 Helpline**, available 24/7, 365 days a year, in nearly 200 languages. 211 is free to call, and provides referrals to economic empowerment programming in the caller's neighborhood.



United Way Rhode Island respectfully urges your support for H 7850 and thanks you for sharing our commitment to economic empowerment and **Strong Families** through systemic change.

Sincerely,  
Peggy Afonso, Program Officer, Housing and Economic Policy  
United Way Rhode Island