



STATE OF RHODE ISLAND  
OFFICE OF THE ATTORNEY GENERAL

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*Peter F. Neronha*  
*Attorney General*

May 7, 2026

The Honorable Joseph J. Solomon, Jr., Chairman  
House Committee on Corporations  
State House, Room 101  
Providence, RI 02903

**Re: HB 7580: Preventing Predatory Lending**

Dear Chairman Solomon and Members of the House Corporations Committee,

I write today to express support for HB 7850, legislation that strengthens protections for Rhode Islanders by preventing predatory lending and excessive interest rates. Specifically, it would allow Rhode Island to opt out of the 1980s-era federal provisions of the Depository Institutions Deregulation and Monetary Control Act, ensuring that statutory interest rate limits and lending protections cannot be circumvented for loans made in Rhode Island.

In 2025, after years of advocacy, the General Assembly took an important step forward by prohibiting payday lending in Rhode Island. Passage of that legislation recognized what we have long known: payday loans trap borrowers in a cycle of debt through extremely high interest rates and unfair terms. Unfortunately, similar harms persist today through “rent-a-bank” schemes and other structures that achieve the same result under a different name - trapping hardworking Rhode Islanders in cycles of debt when they are at their most vulnerable.

While Rhode Island law generally caps annual percentage rates between 21% to 36%, depending on the size of the loan, we continue to see lenders charging rates as high as 200%, exploiting loopholes to evade these protections. This legislation closes that gap by ensuring compliance with state interest rate limits and holding predatory lenders accountable when they attempt to bypass state law.

Rhode Island is not alone in taking this step – states such as Iowa and Colorado have enacted similar laws to ensure predatory lenders cannot circumvent state law. This legislation would restore Rhode Island’s authority to enforce small-loan interest rate limits and close a loophole that has allowed harmful lending practices to take advantage of hardworking people.

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One of my most important duties as Attorney General is protecting Rhode Island consumers from deceptive and exploitive practices. My consumer protection unit works tirelessly to advocate on behalf of consumers who have fallen prey to such schemes. Accordingly, I respectfully urge the Committee to pass this bill and deliver meaningful relief to Rhode Islanders.

Sincerely,



Peter F. Neronha  
Attorney General