



**Department of Business Regulation  
Office of the Director**

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January 29, 2026

The Honorable Carol Hagan McEntee,  
Chairperson, House Judiciary Committee  
State House  
Providence, Rhode Island 02903

**Re: H7080 – An Act Relating to Commercial Law- General Regulatory Provisions – Third Party Litigation Financing Consumer Protection Act**

Dear Representative McEntee:

I am writing on behalf of the Department of Business Regulation, Division of Banking (the “Division”) to provide information on the topic of third-party litigation financing specific to HB 7080 to assist the Committee with consideration of this bill.

This bill defines litigation financier and provides for registration and reporting requirements with the Department of Business Regulation. While the Division supports the provisions in the legislation and the important consumer protections that it would bring, I am proposing edits to strengthen the Division’s ability to perform oversight. First, the bill adds the provisions to Title 6 of the General Laws. If instead this is put under Chapter 14.12 under Title 19, entitled, Third Party Litigation Financing Consumer Protection Act, then it would align with other Banking Division licensing statutes under Title 19 and also allow for the application of other banking laws to these licensees.

The Division currently performs registration and licensing functions for over 3,300 financial entities and 3,800 individuals (located nationwide) that provide various financial service-related products to Rhode Island consumers. We utilize a nationwide license/registration system (NMLS) that is both convenient and efficient for the Division and the entities regulated. Currently, the Division maintains ten (10) license types within the NMLS. Adding any additional license/registration types to the system can be completed quickly and efficiently for all involved. By placing the consumer protection provisions under a new chapter in Title 19, the Division will be able to smoothly adopt the proposed requirements for registration.

The litigation financial protections that are outlined in the legislation are very similar to other protections afforded to consumers within existing financial laws and regulations, which the Banking Division would be able to enforce. The Division requires annual reporting for its licensed/registered entities and can easily create a reporting program for litigation financiers.

We license other similar entities as lenders, and we charge those entities \$1,100 annually. We would suggest setting this fee to \$1,000 to better align with those entities.

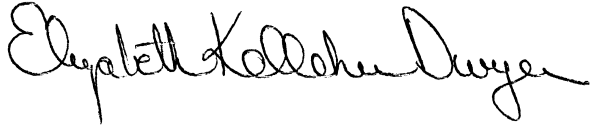
By amending this bill to place the provisions under Title 19, oversight will be performed by the Division of Banking, and keeping all of the consumer protections as proposed, the Legislature will have created a safer financial product for Rhode Island consumers. We look forward to working with the sponsor on policy language in this regard. If the authority is given to the Division of Banking, we request an amendment to delay the effective date to January 1, 2027 in order to allow for reprogramming of the license type in the NMLS and

to make appropriate preparations for a new type of licensee

We would be happy to provide you with whatever additional information you would request. Please do not hesitate to contact me at [elizabeth.dwyer@dbr.ri.gov](mailto:elizabeth.dwyer@dbr.ri.gov) or 401.462.9615 (office) or 401.578.6653 (mobile).

Thank you for your consideration of our position on this proposed legislation.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Kelleher Dwyer". The signature is written in a cursive, flowing style.

Elizabeth Kelleher Dwyer  
Director, Department of Business Regulation

cc. Honorable Members of the House Committee on Judiciary  
Honorable Alex S. Finkelman  
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker of the House