April 14, 2026

The Honorable Robert Britto Chair
Senate Commerce Committee
State of Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

Re: Support Senate Bill 2206

Dear Chair Britto, Vice-Chairs Sosnowski, Secretary Bell, and Members of the Committee:

My name is Jessica Whitney, and I write in support of Senate Bill 2206 ("S-2206) sponsored by Senators Bell, Murray, Thompson, Gu, Ujifusa, Quezada, Valverede, Acosta, Vargas, and DiMario. S-2206 would allow Rhode Island to opt out of the Depository Institutions Deregulation and Monetary Control Act ("DIDMCA"), giving the state clear authority to enforce the state's 21% to 36% interest rate cap on consumer loans and to protect consumers from out-of-state, high-cost lending practices that circumvent state law.

I served as the Iowa Consumer Credit Code ("ICCC") Deputy Administrator for over 10 years and as the Administrator for 8 years, giving me first-hand experience with Iowa's DIDMCA opt-out. That opt-out has protected Iowa consumers, state banks, and credit unions by enforcing state usury limits, preventing out-of-state banks from charging triple-digit interest, and ensuring Iowa can set its own lending standards. DIDMCA opt-out empowers states to protect their citizens and serve as laboratories of democracy.

As the ICCC Administrator and Consumer Protection Chief for the Attorney General's Office, I brought many cases against online and out-of-state lenders charging Iowans astronomical interest rates. From triple-digits on pet loans to traditional loans, I protected Iowans by going after those companies and having the loans declared void. And make no mistake: easily available credit at extremely high rates is not a lifeline, it is a concrete life preserver. It may look like much-needed help, but instead of saving consumers, it traps them deeper in debt and leads to even more harmful, perverse outcomes. Consumers who resort to these short-term, high-interest loans typically do not have additional, non-budgeted money to repay the loan and additional interest charges when it comes due. As a result, consumers often take out additional loans with new fees, creating a cycle of debt that can trap borrowers indefinitely.

I would also like to address the availability of credit in Iowa**.** I have seen claims, with little to no factual support, that Iowa is some sort of credit desert. For example, I saw one assertion that Iowa state banks and credit unions were suffering because of DIDMCA.[1] The handout alleged that 120 bank branches had closed in Iowa over the past 10 years. First and foremost, the handout failed to mention that the study noted that, in that same period, Iowa credit

[1] "DIDMCA Opt-Out: Ruining Credit Access for Rural Iowa," Domestic Policy Caucus, available at: https://static1.squarespace.com/static/5d0a7193f37a7b0001830a44/t/66072825e6518149a2ac5e4c/1711745061927/DPC_DIDMCA_IOWA_V6.pdf.

unions added a net 40 new branches.[2] Moreover, many of the 120 branch closures likely involved National banks, which are rapidly shuttering brick-and-mortar locations as they shift to online and digital banking, leaving communities with fewer in-person banking options.[3]

I have also seen claims that Iowa is a "banking desert," but those statistics are based on 2017 data. Using the Federal Reserve's current banking desert tool, the most recent data tell a very different story about Iowa today:[4]

Iowa: "In 2025, **1%** of census tracts in Iowa **were banking deserts** and **3% could become a desert** if a branch closes. The banking deserts are 0% rural, 73% suburban, and 27% urban, and 36% also have limited access to broadband. In 0% of banking deserts and 0% of potential banking deserts, most residents are people of color."

Far from creating a banking desert, Iowa's experience shows that DIDMCA opt-out and strong consumer protections can coexist with a stable and accessible banking system.

Accordingly, Iowa's experience demonstrates that opting out of DIDMCA strengthens, not weakens, a state's financial ecosystem. Consumers are protected from triple-digit interest rates, and Iowa banks, credit unions, and licensed lenders compete on a level playing field without being undercut by out-of-state institutions exporting higher rates. At a time when locally owned financial institutions are essential to community stability, particularly amid accelerating bank branch closures, Iowa's DIDMCA opt-out has helped preserve fair competition and consumer protection. It is a democratic policy choice that safeguards both borrowers and the integrity of the state's financial market.

I offer this perspective based on nearly two decades of direct regulatory and enforcement experience in Iowa: DIDMCA opt-out is a practical, effective tool for protecting consumers and preserving a fair marketplace. I respectfully urge the Committee to advance and pass S-2206.

Sincerely,

Jessica Whitney

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[2] "Partners for a better Iowa: Credit unions work with rural and urban communities to build financial stability," KCCI Des Moines (Dec. 6, 2022), available at https://storystudio.kcci.com/2022/12/06/partners-for-a-better-iowa-credit-unions-work-with-rural-and-urban-communities-to-build-financial-stability/.
[3] "US Banks Closures: Full List in 2025 So Far," Newsweek (Mar. 24, 2025), available at https://www.newsweek.com/us-bank-closures-2025-full-list-2049712.
[4] "Banking Deserts Dashboard," FedCommunities (Nov. 3, 2025), available at https://fedcommunities.org/data/banking-deserts-dashboard/.