

April 14, 2026

Dear Chairman Britto and Members of the Senate Commerce Committee:

I am writing in support of [S2206](#) to prevent out of state banks from evading Rhode Island's statutory interest rate limits.

Our local banks must adhere to the 21% to 36% cap while out of state corporations can charge seven or eight times as much. This bill levels the playing field so that all financial institutions play by the same rules.

This bill is also about consumer protection. And it's about ethics.

As a member of the Unitarian Universalist Legislative Ministry, I view this issue through the lens of our principle for justice, equity and compassion in human relations. Which brings me to focus on the intent of this bill which is to protect Rhode Islanders from predatory interest rates.

What do we mean by "predatory"? It's a business model that relies on taking advantage of people. Consider who would go online and take out a \$2,000 loan requiring repayment of \$3,500? Someone who looks only at the monthly payment, seeing that it is less than \$400 for nine months? Someone who is immature, inexperienced in financial matters? Someone who likes the ease of an online transaction? Someone who's not a savvy consumer? Someone who's desperate?

This business model is not directed at people who are financially comfortable. Those folks aren't going to take out these loans. They don't need them in the first place. The exorbitant rates prey upon Rhode landers in need of small loans. The very people our existing interest rate caps are intended to protect.

To sum it up, our consumer protections should apply to all financial institutions seeking to do business here.

I urge you to vote in favor of S2206 and send it to the full Senate for a vote.

Respectfully,

Kate McGovern

Providence, RI