



Senator Robert Britto, Chair  
Senate Commerce Committee

April 14, 2026

## **Support for S2206 - Rent-a-Bank Predatory Lending Reform**

Chair Britto and Members of the Committee,

Rhode Island Working Families Power writes in strong support of S2206 from Senator Bell. Working Families Power advocates for policies that promote economic justice and ensure that all Rhode Islanders are protected from predatory financial practices and are able to meet their basic needs with dignity.

S2206 would allow Rhode Island to opt out of provisions in the federal Depository Institutions Deregulation and Monetary Control Act (DIDMCA) that currently enable out-of-state lenders to evade Rhode Island's interest rate limits. As a result of these provisions, lenders operating outside the state can charge significantly higher interest rates than those permitted for Rhode Island-based lenders, undermining consumer protections and creating an uneven playing field.

At a time when many Rhode Islanders are already facing rising costs of living, it is critical that the state enforce strong safeguards against exploitative lending practices. High-interest loans can trap borrowers in cycles of debt, making it harder for working families to achieve financial stability. By opting out of DIDMCA's exemption, S2206 ensures that all lenders—regardless of where they are based—must follow the same fair lending standards when doing business in Rhode Island.

This legislation represents a common-sense step to prevent the erosion of our state's usury laws and to protect consumers from predatory lending schemes that exploit regulatory loopholes. It also supports local lenders who are already complying with Rhode Island's interest rate caps, helping to ensure fair competition in the marketplace.

We urge the committee to move this legislation forward so that Rhode Island can better protect its residents and uphold strong, equitable lending standards.

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