



Westminster Unitarian Church

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Testimony in Opposition to S-3704

Dear Members of the Senate Committee on Commerce,

As a Unitarian Universalist and a member of the Rhode Island faith community, I am writing in opposition to Senate bill S-3704, an act which would increase loan rates on small dollar loans to predatory levels.

- Last year this legislature enacted long-awaited payday lending reform legislation in Rhode Island. S-3704 would erase this historic and beneficial achievement. Why would we renege on this decision?
- This bill would replace the rate caps Rhode Island policymakers long ago set to protect Rhode Islanders from predatory lenders.
- Payday loans, with an annual interest rate of up to 236%, are morally wrong – they are usury, plain and simple. And they target the neediest among us and entangle them in a cycle of debt.
- Low-income Rhode Islanders have been paying approximately \$3 million in payday lending fees each year. These are the people in our state who can least afford to pay these predatory fees.
- The money these low-income Rhode Islanders pay on the exorbitant payday loan fees could be spent on meeting their basic needs.
- Rhode Island consumers and small business owners are not seeking these changes in loan rates. The only ones who benefit are those who profit from trapping Rhode Island consumers in new cycles of debt.

We urge you not to send S-3074 out of committee and to the Senate floor.

Thank you for your attention and consideration.

Kamila Barzykowski

Member of the Westminster Unitarian Church Social, Economic, and Environmental Justice Committee