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LC002626
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS - SMALL LOAN LENDERS

Introduced By: Senators Ciccone, Lombardo, and Lombardi

Date Introduced: May 22, 2019

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 19-14.2-8 and 19-14.2-12 of the General Laws in Chapter 19-14.2
2 entitled "Small Loan Lenders" are hereby amended to read as follows:

3 **19-14.2-8. Maximum loan and interest rate.**

4 [\(a\)](#) Every small loan lender may lend up to five thousand dollars (\$5,000) in the
5 aggregate to one borrower and may charge, contract for, and receive on the loan interest on the
6 unpaid principal balance on a loan at a rate not exceeding the following:

7 (1) Loans up to and including three hundred dollars (\$300), three percent (3%) per
8 month;

9 (2) Loans exceeding three hundred dollars (\$300) but not exceeding eight hundred dollars
10 (\$800), two and one-half percent (2.5%) per month; and

11 (3) Loans exceeding eight hundred dollars (\$800), but not exceeding five thousand
12 dollars (\$5,000), two percent (2%) per month.

13 [\(b\) Every small loan lender may charge fees allowed pursuant to §§ 6-26-2\(c\) and 19-](#)
14 [14.2-12 provided that the fees are disclosed in accordance with 12 CFR Part 1026 and are agreed](#)
15 [to with a written instrument signed by the borrower and licensee as defined in § 19-14-1.](#)

16 **19-14.2-12. Small loans -- No other charges -- Exception.**

17 In addition to the interest allowed in this chapter, no small loan licensee shall directly, or
18 indirectly, charge, contract for, or receive any other charges except credit insurance, lawful filing
19 fees and insurance charges, ~~and~~ other fees listed in § 6-26-2(c), [fees disclosed pursuant to § 19-](#)

1 [14.2-8\(b\)](#) or as authorized by regulation.

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO FINANCIAL INSTITUTIONS - SMALL LOAN LENDERS

1 This act would allow small loan lenders to charge fees on loans up to five thousand
2 dollars (\$5,000) provided the fees are disclosed and agreed to in a written instrument signed by
3 the borrower and the licensee.

4 This act would take effect upon passage.

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