

2013 -- H 6209

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- SMALL LOAN LENDERS

Introduced By: Representatives Baldelli-Hunt, and Ferri

Date Introduced: June 05, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

3 ~~19-14.2-8. Maximum loan and interest rate~~ **Maximum loan and interest rate--**
4 **Internet lending prohibited.** -- (a) Every small loan lender may lend up to five thousand dollars
5 (\$5,000) in the aggregate to one borrower and may charge, contract for, and receive on the loan
6 interest on the 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
10 dollars (\$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) No small loan shall, in this state, be entered into through an exclusively Internet-based
14 transaction. As used herein, the term "exclusively Internet-based transaction" shall mean a small
15 loan wherein the entire application process is to be conducted and completed over the Internet.

16 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 prohibit small loans from being entered into through an exclusively
- 2 Internet-based transaction.
- 3 This act would take effect upon passage.

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