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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- LENDERS AND LOAN BROKERS

Introduced By: Senators Raptakis, Thompson, Gu, Patalano, Murray, Burke, Quezada,  
LaMountain, McKenney, and Sosnowski  
Date Introduced: January 09, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 19-14.1-10 of the General Laws in Chapter 19-14.1 entitled "Lenders  
2 and Loan Brokers" is hereby amended to read as follows:

3           **19-14.1-10. Special exemptions. [Effective until January 1, 2027.]**

4           (a) The licensing provisions of chapter 14 of this title shall not apply to:

5           (1) Nonprofit charitable, educational, or religious corporations or associations;

6           (2) ~~Any person who makes less than six (6) loans in this state in any consecutive twelve-~~  
7 ~~month (12) period; there is no similar exemption from licensing for loan brokers for brokering loans~~  
8 ~~or acting as a loan broker;~~

9           (3) Any person acting as an agent for a licensee for the purpose of conducting closings at  
10 a location other than that stipulated in the license;

11           (4) Regulated institutions and banks or credit unions organized under the laws of the United  
12 States, or subject to written notice with a designated Rhode Island agent for service of process in  
13 the form prescribed by the director, or the director's designee, of any other state within the United  
14 States if the laws of the other state in which such bank or credit union is organized authorizes under  
15 conditions not substantially more restrictive than those imposed by the laws of this state, as  
16 determined by the director, or the director's designee, a financial institution or credit union to  
17 engage in the business of originating or brokering loans in the other state; no bank or credit union  
18 duly organized under the laws of any other state within the United States may receive deposits, pay  
19 checks, or lend money from any location within this state unless such bank or credit union has

1 received approval from the director, or the director's designee, for the establishment of an interstate  
2 branch office pursuant to chapter 7 of title 19;

3 (5) Any natural person employee who is employed by a licensee when acting on the  
4 licensee's behalf; provided that this exemption shall not apply to a mortgage loan originator  
5 required to be licensed under § 19-14-2 or § 19-14.10-4; or

6 (6) A licensed attorney when performing loan closing services for a licensee or for an entity  
7 identified in subdivision (4) above.

8 (b) The provisions of this chapter and chapter 14 of this title shall not apply to:

9 (1) Loans to corporations, joint ventures, partnerships, limited liability companies or other  
10 business entities;

11 (2) Loans over twenty-five thousand dollars (\$25,000) in amount to individuals for  
12 business or commercial, as opposed to personal, family or household purposes;

13 (3) Loans principally secured by accounts receivable and/or business inventory;

14 (4) Loans made by a life insurance company wholly secured by the cash surrender value  
15 of a life insurance policy;

16 (5) Education-purpose loans made by the Rhode Island health and educational building  
17 corporation as vested in chapter 38.1 of title 45 of the Rhode Island student loan authority as vested  
18 in chapter 62 of title 16;

19 (6) The acquisition of retail or loan installment contracts by an entity whose sole business  
20 in this state is acquiring them from federal banks receivers or liquidators;

21 (7) Notes evidencing the indebtedness of a retail buyer to a retail seller of goods, services  
22 or insurance for a part or all of the purchase price;

23 (8) Any municipal, state or federal agency that makes, brokers, or funds loans or acts as a  
24 lender or a loan broker. This exemption includes exclusive agents or exclusive contractors of the  
25 agency specifically designated by the agency to perform those functions on behalf of the agency  
26 and which has notified the director, in writing, of the exclusive agency or contract; or

27 (9) Notes evidencing the indebtedness of a retail buyer to a retail motor vehicle dealer that  
28 include as part of the amount financed, disclosed in accordance with 12 C.F.R. § 226.18 as  
29 amended, an amount representing negative equity related to the motor vehicle being traded in as  
30 part of the purchase price of the motor vehicle being purchased.

31 (c) No license to make or fund loans, or to act as a lender or small loan lender shall be  
32 required of any person who engages in deferred deposit transactions (commonly known as "pay-  
33 day advance") while holding a valid license to cash checks pursuant to chapter 14 of this title.

34 **19-14.1-10. Special exemptions. [Effective January 1, 2027.]**

- 1 (a) The licensing provisions of chapter 14 of this title shall not apply to:
- 2 (1) Nonprofit charitable, educational, or religious corporations or associations;
- 3 (2) ~~Any person who makes less than six (6) loans in this state in any consecutive twelve-~~
- 4 ~~month (12) period; there is no similar exemption from licensing for loan brokers for brokering loans~~
- 5 ~~or acting as a loan broker;~~
- 6 (3) Any person acting as an agent for a licensee for the purpose of conducting closings at
- 7 a location other than that stipulated in the license;
- 8 (4) Regulated institutions and banks or credit unions organized under the laws of the United
- 9 States, or subject to written notice with a designated Rhode Island agent for service of process in
- 10 the form prescribed by the director, or the director's designee, of any other state within the United
- 11 States if the laws of the other state in which such bank or credit union is organized authorizes under
- 12 conditions not substantially more restrictive than those imposed by the laws of this state, as
- 13 determined by the director, or the director's designee, a financial institution or credit union to
- 14 engage in the business of originating or brokering loans in the other state; no bank or credit union
- 15 duly organized under the laws of any other state within the United States may receive deposits, pay
- 16 checks, or lend money from any location within this state unless such bank or credit union has
- 17 received approval from the director, or the director's designee, for the establishment of an interstate
- 18 branch office pursuant to chapter 7 of this title;
- 19 (5) Any natural person employee who is employed by a licensee when acting on the
- 20 licensee's behalf; provided that this exemption shall not apply to a mortgage loan originator
- 21 required to be licensed under § 19-14-2 or § 19-14.10-4; or
- 22 (6) A licensed attorney when performing loan closing services for a licensee or for an entity
- 23 identified in subdivision (4) above.
- 24 (b) The provisions of this chapter and chapter 14 of this title shall not apply to:
- 25 (1) Loans to corporations, joint ventures, partnerships, limited liability companies, or other
- 26 business entities;
- 27 (2) Loans over twenty-five thousand dollars (\$25,000) in amount to individuals for
- 28 business or commercial, as opposed to personal, family, or household purposes;
- 29 (3) Loans principally secured by accounts receivable and/or business inventory;
- 30 (4) Loans made by a life insurance company wholly secured by the cash surrender value
- 31 of a life insurance policy;
- 32 (5) Education-purpose loans made by the Rhode Island health and educational building
- 33 corporation as vested in chapter 38.1 of title 45 of the Rhode Island student loan authority as vested
- 34 in chapter 62 of title 16;

1           (6) The acquisition of retail or loan installment contracts by an entity whose sole business  
2 in this state is acquiring them from federal banks receivers or liquidators;

3           (7) Notes evidencing the indebtedness of a retail buyer to a retail seller of goods, services,  
4 or insurance for a part or all of the purchase price;

5           (8) Any municipal, state, or federal agency that makes, brokers, or funds loans or acts as a  
6 lender or a loan broker. This exemption includes exclusive agents or exclusive contractors of the  
7 agency specifically designated by the agency to perform those functions on behalf of the agency  
8 and which has notified the director, in writing, of the exclusive agency or contract; or

9           (9) Notes evidencing the indebtedness of a retail buyer to a retail motor vehicle dealer that  
10 include as part of the amount financed, disclosed in accordance with 12 C.F.R. § 226.18 as  
11 amended, an amount representing negative equity related to the motor vehicle being traded in as  
12 part of the purchase price of the motor vehicle being purchased.

13           (c) [Deleted by P.L. 2025, ch. 373, § 2 and P.L. 2025, ch. 391, § 2.]

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO FINANCIAL INSTITUTIONS -- LENDERS AND LOAN BROKERS

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- 1           This act would remove the licensing exemption for a lender that originates less than six (6)
- 2   loans in twelve (12) consecutive months.
- 3           This act would take effect upon passage.

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