



April 7, 2020

The Honorable Gina Raimondo
Governor, State of Rhode Island and Providence Plantations
Office of the Governor
82 Smith Street
Providence, RI 02903

Re: Executive Order No. 20-14 staying at home

Dear Governor Raimondo:

I write on behalf of the American Financial Services Association (AFSA)¹ regarding your March 28 executive order establishing a statewide “stay home” order (Executive Order No. 20-14). While we appreciate your efforts to mitigate the effects of the pandemic in Rhode Island and reduce the spread of the disease, we are concerned that this order and the accompanying Department of Business Regulation (DBR) critical businesses list do not include non-depository lenders and other financial institutions in the definition of “critical retail businesses,” cutting off access to important sources of emergency credit for Rhode Island consumers.

The order classifies banks and credit unions as critical retail businesses, and subsequent guidance from DBR clarifies that payday lenders and financial services provided by pawn shops are also critical retail. However, this list would preclude other non-depository lenders—a large segment of the industry—from providing similarly essential services as those from depository institutions. The federal Department of Homeland Security’s Cybersecurity & Infrastructure Security Agency (CISA) considers the financial services sector to be one of sixteen vital components of the nation’s critical infrastructure, and this sector is not limited to financial institutions that hold deposits. According to CISA, “the Financial Services Sector includes thousands of depository institutions, providers of investment products, insurance companies, other credit and financing organizations, and the providers of the critical financial utilities and services that support these functions.” (emphasis added)²

At a time of national crisis and economic turmoil such as the COVID-19 pandemic, it is critical that all sections of society have access to emergency credit if widespread hardship is to be avoided, and both banks and non-depository financial institutions are a vital source of emergency credit. Installment loans are increasingly acknowledged as one of the safest and most affordable forms of credit and allow easy access to small sums at short notice and are widely recognized by consumer group and others as safer alternatives to payday loans. Payment

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance. AFSA members do not provide payday or vehicle title loans.

² See CISA *Financial Services Sector-Specific Plan 2015* at <https://www.cisa.gov/sites/default/files/publications/nipp-ssp-financial-services-2015-508.pdf>.

cards provide borrowers with open-end credit lines immediately accessible as needed. Refinancing a mortgage or vehicle loan to lower monthly payments frees up money that can be put toward emergency expenses. Each of these credit options allows a consumer to access sums of money that help them to deal with unforeseen circumstances.

In addition to emergency credit, it is also essential that consumers have access to banks and non-depository financial institutions with which they have existing relationships in order to service those accounts. While some financial institutions are set up to perform some functions from home, others need personnel in place in offices or local branches to ensure customer needs are met.

Thank you for your attention to this matter. If you have any questions about how AFSA can be of any further assistance to you as you move forward, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

Danielle Fagre Arlowe
Senior Vice President, State Government Affairs
American Financial Services Association
919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517

cc:

Director Elizabeth Tanner, Department of Business Regulation
Deputy Director Elizabeth Kelleher Dwyer, Department of Business Regulation, Banking
Regulation Division