

Hello Representative Botzow and Representative Marcotte,

Further to this morning, Tennessee's rate cap was adopted in 2014. It was the result of a substantial negotiation and discussion. Parties agreed to a 36% annual rate with additional fees for documents. In Arkansas, the state's constitution prohibited a rate above 17%, which was codified in statute in 2015.

After the Tennessee law was enacted, Oasis Legal Finance made a big deal about pulling out of the state. They issued press releases, which got picked up in some media outlets. Several companies still advertise that they do work in Tennessee. See:

<http://www.lawleaf.com/lawsuit-funding/tennessee-lawsuit-cash-advance.html>
<http://go.directlegalfunding.com/tennessee-lawsuit-cash-advance/>
<http://cashforlawsuits.com/lawsuit-advance-funding/tennessee-lawsuit-funding/>

In other venues, such as Arizona, Oasis Legal Finance argued that the real reason they pulled out of Tennessee was a provision of the bill that prohibited lenders from selling the loans to other third parties, or packaging them and securitizing them for resale.

Tomorrow, the Missouri legislature will be considering bills with a 21% rate cap, Indiana is already considering bills with a 36% rate cap, and Alabama will be considering a bill with an 11% rate cap this year.

Again, I suggest offering a rate that conforms with existing Vermont law if that is the path the Committee wants to take.

Best,

Kendal

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