



March 5, 2025

Dear Governor Youngkin,

Independent Women is the leading women's organization dedicated to advancing policies that expand people's freedom, opportunity, and well-being.

We have several chapters of hundreds of motivated activists in Virginia fighting for common-sense policy solutions that improve women's lives. We oppose laws that could harm Virginians' financial security and economic mobility. That is why we are alarmed by [Senate Bill 1252](#), which would restrict access to fintech lending options for Virginians when they need it most.

Many Virginian households face an affordability crisis today due to four years of high inflation and high interest rates. They are living paycheck to paycheck and teetering on the edge of financial ruin from an unexpected expense for which they cannot pay.

We know from recent research that Americans who are [cash-poor](#), meaning they don't have cash to meet an unforeseen need, are **largely young, female, and racial minorities**. Many are unbanked or underbanked, have subprime credit, and cannot readily secure credit through traditional means such as banks and credit cards. They depend on different forms of credit, such as short-term loans from fintech lenders, to cover expenses.

SB 1252 would be detrimental to these women and individuals. The bill would subject fintech companies that work with banks and other financial institutions to Virginia's statutory 12% usury law. Virginia caps interest rates at 12% but provides carveouts that exempt some lenders residing in and out of state from the cap.

Online fintech platforms serve as intermediaries with customers, providing otherwise unattainable financial services to community banks and their clientele. The American Fintech Council (AFC), the industry association representing fintech companies and banks, noted in a [letter](#) that this bill would "cut off hundreds of thousands of Virginians from safe and responsible credit products, pushing them toward more costly and less regulated alternatives."

[Our research](#) into lending finds that when states impose limits on access to credit, consumers turn to costly alternatives that leave them more financially insecure. When lawmakers stifle short-term lending, these borrowers still need access to credit, forcing them to use even more pricey

avenues—including higher-priced overdraft protection, bouncing personal checks, skipping utility bills, or underground market alternatives.

Fintech platforms enable vulnerable communities to participate more fully in today's tech-heavy economy. Without them, people are forced to turn to the black market and are even less likely to have access to banking and loan products.

However well-intentioned this bill may be, SB 1252 would backfire by erecting barriers to financial products that fulfill pressing needs for these households. Governor Youngkin, we urge you to veto SB 1252.

Thank you for your attention to this matter and your efforts to keep Virginians free and prosperous.

Sincerely,

Carrie Sheffield

*North Virginia Chapter Leader and Senior Policy Analyst
Independent Women*