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## California Senate to hold June 26 hearing on bill capping consumer loan interest rates

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The California Senate's Banking and Financial Institutions Committee [will hold a hearing on AB 539 on June 26, 2019](#). The hearing was previously scheduled for today.

AB 539 [was cleared by the California Assembly](#) on May 23. The bill would change several aspects of the California Financing Law (CFL), including by setting new interest rate caps, imposing new rules governing loan duration, and prohibiting prepayment penalties. For example, while the CFL does not set a maximum interest rate on loans of \$2,500 or more, AB 539 would cap the interest rate at 36% plus the federal funds rate on loans of \$2,500 or more but less than \$10,000.

Observers believe that the June 26 hearing will play a key role in determining the bill's future.

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