



March 21, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: DailyPay, LLC (DailyPay) Support for HB 1294 – Earned Wage Access and Credit Modernization

Chair Beidle, Vice Chair Hayes, and esteemed members of the Finance Committee:

I am writing to express DailyPay's strong support for HB 1294, concerning earned wage access (EWA) services. DailyPay is the nation's leading employer-integrated EWA provider.

EWA is a financial technology that allows employees to access wages they have already earned. DailyPay, LLC, offers this technology to over 60,000 workers in Maryland, partnering with over 500 employers throughout the state.

DailyPay partners with employers and integrates with their payroll systems, giving employees access to their already-earned, net wages before payday. This is a voluntary service where users can access verified earned wages.

EWA is *popular with Maryland employers* because it has been proven to reduce employee turnover and absenteeism and help attract employees to fill open jobs.

It's *popular with Maryland employees* because it provides access to the wages they have already worked for and earned but have yet to receive. When unexpected expenses arise, such as medical bills or a flat tire, EWA users have the financial freedom to access liquidity. EWA employees instantly access their own money and can avoid late fees, bank overdraft fees, and high-cost credit products.

Like DailyPay, where I work, almost all EWA companies share a few key characteristics:

- We are credit invisible
- We charge no origination, late fees, or interest
- We do not engage in debt collection practices
- We do not underwrite

dailypay.



Most EWA providers offer instant delivery of earned wages to a bank account for a flat, *one-time* fee of around \$3 or at “no cost” for a transfer taking 1-3 business days.

While EWA does not completely eliminate income insufficiency, it effectively addresses the challenges posed by infrequent pay schedules, such as biweekly or monthly payments. Employees are gravitating toward this solution because it saves them money and provides greater financial flexibility.

Specifically, EWA offers Marylanders a practical alternative to costly financial products, empowering them to manage late bill payments or navigate financial emergencies with ease.

Currently, six states regulate EWA as a unique financial product, and DailyPay firmly advocates for thoughtful and balanced regulation of the EWA industry to ensure broad access to these vital services.

HB 1294 establishes a licensing framework for EWA providers that prioritizes consumer protection, transparency, and choice. This licensing will not only deter bad actors and ensure fairness but also enable state oversight while preserving consumer access and codifying important protections, including:

- A mandatory free option for all transactions
- Maintaining the product non-recourse
- An unprecedented cap on transaction fees (*\$5 on transactions of less than \$75 and \$7.50 on transactions of more than \$75*)
- The right for users to cancel services without penalty or fees
- Strong disclosure requirements

We’ve gathered numerous testimonials from users who share how our platform has empowered them to manage short-term cash crunches and overcome challenging financial situations. DailyPay is making a tangible difference in the lives of everyday workers, helping them break free from the cycle of debt.

HB 1294 will provide certainty for our users and businesses, maintain consumer access, and support employers. **We urge a favorable reading of HB 1294.**

Sincerely,

DailyPay, LLC

By: *Claudia Flores*

Name: Claudia Flores

Title: Director of Public Policy

dailypay.