

## Chapter 170

**(Senate Bill 94)**

AN ACT concerning

**Commercial Law – Earned Wage Access – Revisions**

FOR the purpose of prohibiting certain tipping practices; altering the timeline for certain refunds; subjecting certain earned wage access providers and loan lenders to certain consumer loan requirements; and generally relating to earned wage access.

BY renumberingArticle – Commercial LawSection 12–1507to be Section 12–1510Annotated Code of Maryland(2013 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 12–128, 12–318, and ~~12–1502~~ 12–1503 and 12–1504

Annotated Code of Maryland

(2013 Replacement Volume and 2025 Supplement)

BY adding toArticle – Commercial LawSection 12–1507 through 12–1509Annotated Code of Maryland(2013 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 12–1507 of Article – Commercial Law of the Annotated Code of Maryland be renumbered to be Section(s) 12–1510.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Commercial Law**

12–128.

(a) A lender [who gives consumers an option to provide the lender a tip shall:

(1) Disclose to the consumer to whom the tip will be allocated; and

(2) Set the default tip at zero] **MAY NOT ACCEPT A TIP FROM A CONSUMER OR GIVE A CONSUMER THE OPTION TO PROVIDE A TIP.**

(b) A lender may not directly or indirectly suggest that providing a tip will influence:

- (1) The lender's willingness to provide a loan to a consumer at any time; or
- (2) The terms of any loan offered to the consumer by that lender.

(c) A lender who receives a tip [that would otherwise create a rate of interest above that allowed under this subtitle] may not be found in violation of this subtitle if the lender returns all of the tip [or that portion of the tip necessary to reduce the rate of interest to an amount allowed under this subtitle] within [30 calendar] 7 days after receiving the tip.

(d) A lender shall prominently disclose that[:

(1) Providing a tip does not influence the lender's willingness to provide a loan to the consumer at any time; and

(2) Any tip paid by the consumer does not inure to the direct benefit of any specific employee of the lender or any other individual] **IT IS PROHIBITED FROM ACCEPTING A TIP FROM A CONSUMER.**

12-318.

(a) A lender [who gives consumers an option to provide the lender a tip shall:

(1) disclose to the consumer to whom the tip will be allocated; and

(2) set the default tip at zero] **MAY NOT ACCEPT FROM ANY CONSUMER, OR GIVE ANY CONSUMER THE OPTION TO PROVIDE, A TIP.**

(b) A lender may not directly or indirectly suggest that providing a tip will influence:

- (1) the lender's willingness to provide a loan to a consumer at any time; or
- (2) the terms of any loan offered to the consumer by that lender.

(c) A lender who receives a tip [that would otherwise create a rate of interest above that allowed under this subtitle] may not be found in violation of this subtitle if the lender returns all of the tip [or that portion of the tip necessary to reduce the rate of interest

to an amount allowed under this subtitle] within [30 calendar] 7 days after receiving the tip.

(d) A lender shall prominently disclose that[:

(1) Providing a tip does not influence the lender's willingness to provide a loan to the consumer at any time; and

(2) Any tip paid by the consumer does not inure to the direct benefit of any specific employee of the lender or any other individual] **IT IS PROHIBITED FROM ACCEPTING A TIP FROM A CONSUMER.**

~~12-1502.~~

~~(a) A person may not engage in the business of providing earned wage access unless the person is licensed under or is exempt from the licensing requirements of Title 11, Subtitle 2 of the Financial Institutions Article.~~

~~(b) Failure to obtain a consumer loan license shall subject a provider to the enforcement provisions of Title 11, Subtitle 2 of the Financial Institutions Article.~~

~~(c) An earned wage access provider licensed under Title 11, Subtitle 2 of the Financial Institutions Article and subject to this subtitle is exempt from other provisions of State law governing lending, credit, or debt, including the provisions of Subtitle 1, Subtitle 3, Subtitle 9, and Subtitle 10 of this title **WITH THE EXCEPTION OF §§ 12-304, 12-305, AND 12-316.1 OF THIS TITLE.**~~

~~(d) Earned wage access services provided in accordance with this subtitle may not be considered:~~

~~(1) A money transmission; or~~

~~(2) A violation of or noncompliance with State laws governing deductions from payroll, salary, wages, compensation, or other income or the purchase, sale, assignment, or order for unpaid but earned wages.~~

12-1503.

(a) A provider of earned wage access shall:

(1) Develop and implement policies and procedures to respond to questions raised by consumers;

(2) Address complaints from consumers in an expedient manner;

(3) Whenever the provider offers a consumer the option to receive earned wage access services for a fee [or solicits an optional tip, gratuity, or other donation], offer [to] the consumer at least one reasonable option to obtain earned wage access at no cost to the consumer;

(4) Clearly explain to a consumer how to elect a no-cost option described in item (3) of this subsection;

(5) Before entering into an agreement with a consumer for the provision of earned wage access services:

(i) Inform the consumer of the consumer's rights under the agreement; and

(ii) Fully and clearly disclose all fees associated with the earned wage access services;

(6) Inform a consumer of any material changes to the terms and conditions of the earned wage access services before implementing those changes for that consumer;

(7) Allow a consumer to cancel use of the provider's earned wage access services at any time without incurring a cancellation fee imposed by the provider;

(8) Comply with all applicable local, state, and federal privacy and information security laws;

(9) [If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer:

(i) Set the default tip, if any, at zero;

(ii) Clearly and conspicuously disclose to the consumer immediately prior to each transaction that any tip paid by the consumer does not inure to the direct benefit of any specific employee of the provider or any other individual;

(iii) Clearly and conspicuously disclose to the consumer immediately prior to each transaction that a tip, gratuity, or other donation amount is optional and voluntary; and

(iv)] Clearly and conspicuously disclose in the provider's service contract with the consumer that[:

1. tips, gratuities, or other donations are voluntary; and

2. The offering of earned wage access services, including the amount of proceeds a consumer is eligible to request and the frequency with which proceeds

are provided to a consumer, is not contingent on whether the consumer pays any tip, gratuity, or other donation or on the size of the tip, gratuity, or other donation] **THE PROVIDER IS PROHIBITED BY LAW FROM SOLICITING OR RETAINING TIPS, GRATUITIES, OR OTHER DONATIONS;**

(10) Provide proceeds to a consumer by any means mutually agreed upon by the consumer and the provider; and

(11) Except as provided in subsection (b) of this section, if the provider will seek repayment of outstanding proceeds or payment of fees or other amounts owed or incurred[, including voluntary tips, gratuities, or other donations,] from a consumer's account at a bank in connection with earned wage access services covered by this subtitle, including by means of electric fund transfer:

(i) Comply with the federal Electronic Fund Transfer Act and regulations adopted to implement the Act; and

(ii) Reimburse the consumer within 5 business days for the full amount of any overdraft or nonsufficient fund fees imposed on a consumer by the consumer's bank that were caused by the provider attempting to seek repayment of any outstanding proceeds or payment of fees[, tips, gratuities, or other donations] in connection with earned wage access services covered by this subtitle.

(b) Subsection (a)(11) of this section does not apply to a provider seeking repayment of outstanding proceeds or payment of fees or other amounts owed that were received or incurred by a consumer through fraudulent or other unlawful means.

12-1504.

A provider of earned wage access may not:

(1) Share with an employer any [fees, tips, or other] charges received from a consumer for earned wage access;

(2) **SOLICIT OR CHARGE A TIP;**

(3) Condition a consumer's ability to obtain earned wage access on the consumer's ability or willingness to pay the provider a tip;

[(3)] (4) Charge a consumer a late fee, interest, or other penalty for failure to pay any proceeds[, ] **OR** fees[, or tips];

[(4)] (5) Report any information about a consumer's failure to pay any proceeds[, ] **OR** fees[, or tips] to any consumer reporting agency;

[(5)] (6) Obtain a consumer's credit report as a method of qualifying the consumer for earned wage access;

[(6)] (7) Receive interest from a consumer; or

[(7)] (8) Compel or attempt to compel payment by a consumer of any proceeds, fees, tips, gratuities, or other donations through:

(i) A civil action against the consumer;

(ii) The use of a third party to pursue collection from the consumer on the provider's behalf; or

(iii) The sale or assignment of outstanding amounts to a third-party collector or debt buyer for collection from the consumer.

#### 12-1507.

**(A) A PROVIDER MAY NOT DIRECTLY OR INDIRECTLY PRINT, PUBLISH, DISTRIBUTE, OR BROADCAST ANY FALSE, MISLEADING, OR DECEPTIVE STATEMENT REGARDING THE FEES, RATES, TERMS, OR CONDITIONS OF EARNED WAGE ACCESS.**

**(B) (1) IF FEES OR RATES OF FEES ARE ADVERTISED BY A LICENSEE, THE COMMISSIONER MAY REQUIRE THE LICENSEE TO STATE THE FEES OR RATES OF FEES FULLY AND CLEARLY IN ANY MANNER THE COMMISSIONER CONSIDERS NECESSARY TO PREVENT MISUNDERSTANDING BY A PROSPECTIVE CONSUMER.**

**(2) SUBJECT TO ANY CONDITION WHICH THE COMMISSIONER MAY IMPOSE TO PREVENT A FALSE IMPRESSION REGARDING THE SCOPE OR DEGREE OF PROTECTION PROVIDED BY THIS SUBTITLE, THE COMMISSIONER MAY AUTHORIZE OR REQUIRE A LICENSEE TO REFER TO THE FACT THAT THE LICENSEE IS UNDER STATE SUPERVISION IN THE ADVERTISING MATERIALS OF THE LICENSEE.**

#### 12-1508.

**(A) IN GRANTING OR DENYING A CONSUMER REQUEST FOR EARNED WAGE ACCESS, A LICENSEE MAY NOT DISCRIMINATE AGAINST ANY CONSUMER ON THE BASIS OF RACE, COLOR, CREED, NATIONAL ORIGIN, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, DISABILITY, MARITAL STATUS, OR AGE.**

**(B) DENYING A REQUEST FOR EARNED WAGE ACCESS BY A CONSUMER WHO IS A MINOR IS NOT DISCRIMINATION ON THE BASIS OF AGE.**

#### 12-1509.

**(A) A LICENSEE OR A PERSON EXEMPT FROM LICENSING UNDER THIS SUBTITLE IS NOT SUBJECT TO A PENALTY FOR A VIOLATION THAT ARISES BECAUSE THE LICENSEE OR PERSON EXEMPT FROM LICENSING IN GOOD FAITH:**

**(1) PERFORMED OR OMITTED TO PERFORM AN ACT IN CONFORMITY WITH OR IN RELIANCE ON:**

**(i) A WRITTEN OPINION OF THE ATTORNEY GENERAL OF MARYLAND OR A REGULATION ADOPTED BY THE COMMISSIONER;**

**(ii) A WRITTEN OPINION BY THE COMMISSIONER GIVEN ON REQUEST OF THE LICENSEE OR PERSON EXEMPT FROM LICENSING; OR**

**(iii) AN INTERPRETATION BY THE COMMISSIONER IN A WRITTEN NOTICE OR EXAMINATION REPORT; OR**

**(2) USED A FORM OR PROCEDURE THAT HAS BEEN APPROVED IN WRITING BY THE COMMISSIONER AND THE ATTORNEY GENERAL.**

**(B) THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION DO NOT APPLY TO AN ACT OR OMISSION TO ACT THAT OCCURS AFTER:**

**(1) THE OPINION, REGULATION, OR INTERPRETATION RELIED ON IS AMENDED, REPEALED, OR DETERMINED TO BE INVALID FOR ANY REASON BY ANY JUDICIAL OR OTHER AUTHORITY; OR**

**(2) APPROVAL FOR A FORM OR PROCEDURE IS AMENDED, RESCINDED, OR DETERMINED TO BE INVALID FOR ANY REASON BY ANY JUDICIAL OR OTHER AUTHORITY.**

**(C) THIS SECTION MAY NOT BE CONSTRUED TO:**

**(1) LIMIT THE IMPOSITION OF ANY CIVIL OR CRIMINAL PENALTY FOR A KNOWING OR WILLFUL VIOLATION OF THIS SUBTITLE; OR**

**(2) LIMIT THE POWER OF THE COMMISSIONER OR THE COURTS TO ORDER A REFUND TO A CONSUMER OF MONEY COLLECTED IN VIOLATION OF THIS SUBTITLE.**

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.

Approved by the Governor, April 28, 2026.