



MARYLAND STATE & D.C. AFL-CIO

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**HB 246 - Commercial Law - Credit Regulation - Earned Wage Access and Credit Modernization
House Economic Matters Committee
January 19, 2024**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of HB 246 - Commercial Law - Credit Regulation - Earned Wage Access and Credit Modernization. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

We support HB 246 because workers deserve protection from lenders that fail to register or abide by Maryland's lending laws and ends the unfair and opaque tipping practices used by some earned wage access products. We fully support employer connected entities that provide wage advancement at no cost and believe the ultimate solution to this issue is for workers to be paid reliable, prompt, and predictable family sustaining wages. Unregulated earned wage access products that skirt Maryland's consumer lending laws are not the temporary financial solution that workers need. Workers should not have to pay egregious tips, fees, or interest to be paid.

Companies that are providing loans, regardless of whether they call themselves financial technology platforms, must follow Maryland's lending rules and register with the Office of Financial Regulation. HB 246 would clear up any ambiguity and create a path forward for these products to continue if they agree to follow our consumer protection laws.

We urge a favorable report on HB 246.