



Testimony in support of  
**HB 0246**  
Commercial Law - Earned Wage Access and Credit Modernization

Dear Chair Wilson and Members of the Economic Matters Committee:

My name is Ricarra Jones and I am the Political Director of 1199 SEIU United Healthcare Workers East in Maryland and DC. 1199 SEIU is the largest healthcare union in the nation, with over 10,000 members in hospitals, long term care settings, and federally qualified health centers in the region. 1199 strongly supports HB 246 Earned Wage Access and Credit Modernization as a measure to protect low-income workers, many of whom are people of color, and regulate earned wage access products under Maryland Consumer Loan Law.

HB 246 will protect the most marginalized workers in the state. According to data from the Bureau of Labor Statistics, 1,356,000 Maryland workers were paid hourly in 2022. That year, there were about 931,652 low-income individuals in the state, people who earned annual wages less than 150% of the federal poverty level. Black and brown residents are more likely to face poverty than others; 38.5% of low-income individuals in Maryland are Black.

Earned wage access product lenders deliberately mislead workers by encouraging short-term borrowing practices that trap consumers long-term. Earned wage access products are expensive and are used most frequently by consumers who are living paycheck to paycheck, struggling to pay for everyday expenses like food, transportation, housing costs, and bill and utility payments. Lenders encourage these patterns by offering cash advance loans for daily expenses such as transportation and recurring bills. Data from California's financial regulator shows these loans come with an average annual percentage rate over 330%, which is similar to APRs for payday loans.

Many of these lenders also request "tips", a practice that 1199SEIU encourages the committee to examine. The U.S. Government Accountability Office (GAO) recently highlighted the lack of transparency around this practice, commenting that many users may not know that tipping is optional. Tipping and fees, especially when combined with frequent usage, make EWA and cash advance apps costly for consumers.

HB 246 will, if passed, regulate the earned wage access industry in Maryland, offering much-needed consumer protection. For these reasons, we support HB 246 and urge a favorable report. Please reach out to me at [ricarra.jones@1199.org](mailto:ricarra.jones@1199.org) with any further questions.

Sincerely,  
Ricarra Jones  
Political Director  
1199 SEIU United Healthcare Workers East