

# Immediate

TO: Chair, Economic Matters Committee

RE: House Bill 246

DATE: January 23, 2024

SUBJECT: Testimony from Immediate Solutions, Inc

## Testimony

Thank you Chair and Committee members for the opportunity to speak today.

My name is Matt Pierce, Founder and CEO of Immediate, a Financial Wellness and Earned Wage Access company. We share the Committee's goal of increasing consumer protections and enacting safeguards, but respectfully oppose House Bill 246 due to the inclusion of Earned Wage Access as a lending product.

We started Immediate with the mission to combat predatory lending. Our system is designed to contract with employers as an extension of their payroll to allow employees access to their earned but unpaid wages.

There are multiple free options for employees to access their earned funds but often employees need earnings right away to pay a bill on time or fill their gas tank to get to work and will need their money within a few minutes. There is a flat, nominal fee to receive their funds immediately due to the costs incurred to move those earnings.

We have found that over 85% of usage has been for needs-based items with the top uses of funds being Bills, Groceries, Transportation, and Housing.

Since these are earnings the employee has a legal right to, the wages they are accessing don't constitute a loan. Unlike credit products, we do not pull credit, report employees to creditors, or have recourse in any way for helping facilitate the access for the employee.

Earned Wage Access is a responsible alternative to a loan and the inclusion of it in these House Bills will negatively impact the people of/workforce in Maryland who rely on it for their basic needs. Our request is that we can have the opportunity to collaborate with the Committee on a new framework to regulate EWA under its own financial product and not as a loan.

I thank you for your time and consideration today.