



March 25, 2024

Re: Favorable for HB 246 with amendments

Dear Chair Beidle, Vice Chair Klausmeier, and Honorable Members of the Senate Finance Committee:

Thank you for your consideration of HB 246 and your work on legislation to help ensure hard-working Marylanders are able to continue to use earned wage access (EWA) in the state.

Payactiv is a leading employer-integrated earned wage access (EWA) provider that partners with employers to enable their employees to access their own, already earned wages when they need it – rather than having to wait for payday. Payactiv integrates into an employer's time and attendance payroll system and verifies wages from payroll, time and attendance, and census file data. Payactiv has been providing EWA services to Maryland workers for over 10 years and is proud to be a Public Benefit Corporation and Certified B Corp.

We appreciate the continued dialogue with stakeholders involved in this bill, and we are hopeful to reach a compromise solution soon.

We believe EWA should be regulated under a new subtitle within Title 12 of the Financial Institutions Article, which includes other financial service categories like check cashing, money transmission, debt settlement, and debt management. These new categories were created through legislation, and we believe the legislature has the opportunity to create similar, tailored guidance for the EWA industry as well.

It is critical that EWA is not regulated as a consumer loan under Title 12 of the Commercial Law Article, which would result in EWA providers leaving the state and Maryland workers losing access to this service. This result was seen in Connecticut, where hundreds of employers and thousands of workers expressed deep concern about losing access to EWA. Further, our users in Connecticut report their financial health is worse off as a result of this change.

Payactiv is proud of our long-standing service to Maryland workers, and **we support this bill with amendments, which include additional consumer protections and greater alignment with regulatory best practices in other states.**

Thank you for your leadership on this important issue, and we respectfully request a favorable report.

Sincerely,

Molly Jones
Head of Public Policy,
Payactiv