



**Testimony before the House Economic Matters Committee
SB94-Commercial Law-Earned Wage Access-Revisions
Position: FAV**

March 31, 2026

The Honorable Kris Valderrama, Chair
Economic Matters Committee
Room 230, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Chair Valderrama and Members of the Committee,

Economic Action Maryland Fund writes in favor of SB94 which will prohibit earned wage access providers from soliciting or accepting tips from participants who use these payday loan apps to borrow against their next paycheck. We thank OFR for their work on the legislation.

This prohibition will end the practice of steering struggling workers to pay a corporation to borrow their own money. We support provisions in SB94 which ensure that the loans are not discriminatory and harmonize these payday loans with other federal and state consumer lending statutes.

Economic Action conducted a survey on affordability issues in January 2026 of more than 500 Marylanders across the state. Nearly 28% of respondents had used a payday loan app to make ends meet. Of those who used an app, 63% tip at least some of the time, many explaining that they want to support the workers at the payday app companies. Yet, workers do not see these tips, they go into company coffers.

Fortunately, many EWA providers in Maryland do not rely on tips as part of their business model so prohibiting tips will protect consumers and will not harm companies operating in Maryland. To date, even the EWA provider most dependent on tips is operating in Maryland without relying on tips.

Affordability is a term both chambers have highlighted as a priority this session as legislators seek to address the high costs of a number of essential goods and services. EWA loans are not affordable credit-they are, in fact, extremely expensive credit marketed to individuals who are struggling to make ends meet.

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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While we would like to explore additional protections such as fee caps and requirements that prevent loan-stacking in the future , we believe that SB94 is a good first step in ensuring that these products meet workers short-term needs without racking up costs at the workers' expense. We remain committed to ensuring that credit is affordable and sustainable, not just accessible. SB94 is a good start in this effort.

For all these reasons we support SB94 and urge a favorable report.

Best,

Marceline White
Executive Director

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