



Chairwoman Del. Kriselda Valderrama
House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

March 27, 2026

Chairwoman Valderrama:

I write in opposition to SB 94, a bill that would make major revisions to HB 1294 that just passed last session, and that this Committee has spent an enormous amount of time on over the last two sessions. HB 1294 only went into effect in October, and many members of the industry that applied for the license, EarnIn included, are still awaiting final review and approval. Revisiting HB 1294 so soon is premature and risks undermining the Legislature's carefully constructed regulatory framework before it has even been fully implemented.

This bill is unnecessary, counterproductive, and undoes a carefully crafted compromise in HB 1294. Most importantly, it prohibits solicitation, which is constitutionally protected speech. This prohibition renders the bill unconstitutional under the Central Hudson test, as a content based speech discrimination against EWA providers and our customers. There is no financial services exemption to the First Amendment.

The Central Hudson test says that in order to regulate speech: it must be either fraudulent; the government must assert a "substantial" interest in regulating the speech; the regulation must "directly advance" that interest; and the regulation cannot be more extensive than necessary to serve the interest. SB 94 fails that test, and is merely a policy preference meant to disadvantage one business model disfavored by the regulator, but popular with users.

Moreover, there is no reason for this Committee to advance legislation that will impede Marylanders' access to EWA products, given the benefits of those products on their lives. Independent analysis of more than one million EarnIn customers shows that users earn an average of 11 percent, or \$335, more per month after using EarnIn, and that access to earned wages reduces reliance on high-cost financial products such as overdraft fees, payday loans, and revolving credit.

More than 100,000 Marylanders have chosen to use EWA products because they make their lives easier and reduce financial stress. Revising HB 1294 to introduce new barriers for EWA providers risks undoing the great work of this Committee in thoughtfully regulating this industry.

The House Economic Matters Committee should either reject or substantially amend SB 94 to bring it into Constitutional compliance and otherwise improve upon HB 1294, rather than dismantle it, like the current draft does.



I would be happy to continue conversations with you and members of the Committee to ensure that your constituents are protected as the legislative process moves forward.

Sincerely,

Ben LaRocco

Ben LaRocco
Senior Director, Government Relations
EarnIn