

March 18, 2026

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

Dear Chairwoman Valderrama and members of the Economic Matters Committee,

We, the undersigned, are consumer protection organizations and attorneys asking that you vote yes on **SB 94**¹, which amends a 2025 law governing payday loan apps, marketed as Earned Wage Access (EWA)². This legislation would help protect Marylanders from the most exploitative practices of these lenders.

After last year's bill passed the legislature, we sent a letter to Governor Moore asking that he veto the legislation. In that letter,³ we expressed concern that the bill was inadequate to address many of these lenders' predatory practices. We appreciate the time Governor Moore and his Administration took to consider our letter and craft SB 94, a bill that addresses some of our biggest concerns.

App-based payday lenders offer small, short-term credit with a fee, to be repaid on payday. These loans typically carry interest rates around 400% APR, a rate comparable to a typical storefront payday loan.

SB 94 would address two of our concerns with EWA lending as it currently exists in Maryland.

First, it bans lenders from asking for tips. In popular usage, tips are paid to service workers as an appreciation for outstanding service. Tipping a financial services algorithm is never appropriate, and even less so when the tips are an end-run around a rate cap. Exempting tips makes the rate cap ineffective and incentivizes lenders to engage in subterfuge to maximize profitability. SB 94 rightly corrects this issue.

Second, last year's law gave EWA lenders an exemption from the Small Dollar Loan Act's prohibitions on lending discrimination and unfair and deceptive practices. SB 94 would end these lenders' unjustified exemption and restore these consumer protections.

¹ SB 94 available: [2026 Regular Session - Senate Bill 94 First Reader](#)

² HB 1294 available: [2025 Regular Session - House Bill 1294 First Reader](#)

³ Letter available at <https://www.responsiblelending.org/media/naacp-maryland-unions-and-consumer-advocates-urge-governor-moore-veto-bill-legalizes>

In the last year, the U.S. Consumer Financial Protection Bureau has been decimated. There have been wide ranging firings and enforcement actions against financial predators permanently dropped – denying harmed American consumers the relief they were owed. Further, early into his second term, the president issued an Executive Order taking aim at disparate impact analysis – one of the most important legal tools for uncovering racial discrimination. Given these challenges at the federal level, it is more important than ever that states like Maryland stand firm to protect the pockets of its residents.

Our concerns about the 2025 law and the regulatory scheme it created remain. The per-transaction fees of \$7.50 and \$5 are too high, especially given the small amount of money borrowed for each transaction. The bill also lacked a monthly cap on fees, and failed to do anything to address stacking, which occurs when borrowers take out loans from multiple lenders at a time. Stacking is an inevitable outcome of payday loan apps artificially limiting the amount of money that borrowers can access each time they take out a loan.

While SB 94 does not address all our concerns about the law passed last year, this legislation is an important step in the right direction. We strongly urge you to vote yes on these changes to strengthen Maryland’s laws and provide greater protection for our consumers.

Thank you for your work on this important issue,

National Groups

Center for Responsible Lending
National Consumer Law Center
Americans for Financial Reform (AFR)
Center for LGBTQ Economic Advancement & Research (CLEAR)
Coalition on Human Needs
Consumer Action
Consumer Federation of America
Consumer Reports
National Association of Consumer Advocates

Maryland Groups

1199SEIU
Advance Maryland
AFSCME Maryland Council 3
CASH Campaign of Maryland
Community Development Network of Maryland
Consumer Auto

Economic Action Maryland Fund
Maryland Center on Economic Policy
Maryland Volunteer Lawyers Service
NAACP of Maryland
Public Justice Center

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