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**HB 237 - Commercial Law - Earned Wage Access - Revisions  
House Economic Matters Committee  
February 3, 2026  
SUPPORT WITH AMENDMENTS**

Chair Valderrama, Vice-Chair, and committee members thank you for the chance to submit testimony in support with amendments for House Bill 237. This bill creates more protection for consumers of EWA products.

**The Consumer Protection Commission is a standing entity appointed by the Governor that advises the Consumer Protection Division of the Attorney General's Office.** It undertakes studies and reports, and fosters cooperation among federal, state, and local agencies, and private groups. The council includes representatives of consumer interests, business interests, and the public.

EWA allows employees to borrow a portion of their paycheck before payday, typically through mobile apps that charge fees for instant access to funds, with some also soliciting "tips." While some companies offer a free option, a majority pay the fees to get their funds as fast as possible. These products are not just used sporadically to cover an emergency expense. Many customers take out multiple loans each month. The root need for these products is insufficient income and pay frequency that is out of line with expenses (bi-weekly or monthly vs daily or weekly).

Last year, the General Assembly passed HB 1294, which provided limited regulations for EWA products. However, there were unintended consequences such as excluding EWA product users from Maryland's anti-discrimination laws. HB 237 aims to repair that regulatory loophole which weakens consumer protection and increases risks for borrowers. Unlike other consumer loans in Maryland, which have clear interest rate caps, transparent pricing, and repayment safeguards, EWA products are allowed to charge fines and collect tips.

We support this bill's goal of establishing more baseline consumer protections. Additionally, targeted amendments will more effectively protect consumers while allowing responsible products to operate.

Additional amendments would strengthen consumer protections in the following ways:

- **Cost caps:** Total fees can't exceed \$10/month.
- **Lower fees:** Transaction fee drops to \$2 and only once per week.
- **Real free options:** No expedite fee still means money by next day.
- **Easy to cancel:** Simple, clear way to cancel loans or subscriptions.
- **Public oversight:** Annual cost & usage reports must be public.
- **No loan stacking:** Can't borrow from multiple providers in the same pay period.

Consumers need stronger protection to prevent them from incurring hidden costs when accessing their own wages.

***We request a report of favorable with amendments for HB 237.***