

Additional Amendments to Maryland SB94 and HB237

Limit costs

- Limit the **total maximum monthly cost**, covering all loans and all costs (expedite fees, subscriptions, etc), to \$10 month.

Add to 12-1504 in the list of prohibitions:

(#) CHARGE, SOLICIT, COLLECT OR RECEIVE FEES, INTEREST, TIPS, DONATIONS, GRATUITIES OR OTHER COSTS THAT EXCEED TEN DOLLARS IN TOTAL, INCLUDING ANY MEMBERSHIP OR SUBSCRIPTION FEE, FOR ALL EARNED WAGE TRANSACTIONS IN A CALENDAR MONTH TO A CONSUMER;

This amendment creates a ceiling on total monthly costs to borrowers. This is necessary both to prevent high monthly costs that make it more likely consumers will face an income shortfall, but also to discourage earned wage access providers from using manipulations to increase fees. For example, analysis of government enforcement actions against EWA providers shows that: “earned wage payday lenders ... structure their business operations and user interfaces to push borrowers towards multiple smaller transactions and higher finance charges – even when borrowers are authorized for higher amounts.”¹ A monthly fee cap reduces the incentive for lenders to manipulate borrowers into taking multiple, small loans which maximize fees by placing a limit on the total amount lenders can extract using such tactics.

- Limit the \$4 per transaction fee to one per week.

Add to 12-1504:

(#) CHARGE, SOLICIT, COLLECT OR RECEIVE FEES, INTEREST OR OTHER COSTS THAT EXCEED FOUR DOLLARS IN TOTAL, FOR ALL EARNED WAGE TRANSACTIONS IN ANY CALENDER WEEK TO A CONSUMER;

This proposed amendment creates a weekly fee cap that both limits total costs imposed on borrowers and further reduces the incentive for earned wage access providers to push borrowers into multiple, small loans that maximize fees, as noted above.

¹ **Picking Workers’ Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders** at pg. 21, January 12, 2026. https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf.

- Lower the per transaction fee **to \$2.**

Amend 12-1505 as follows:

A provider of earned wage access may charge a fee for delivery or expedited delivery of earned wage access to a consumer not exceeding **\$2.[:**

(1) \$5.00 for any advance of proceeds equal to or less than \$75.00; or

(2) \$7.50 for any advance of proceeds greater than \$75.00.]

This proposed amendment limits costs to consumers by reducing fees. Current law allows fees as high as \$7.50 to expedite payments, despite the fact that instant payments cost only pennies. High expedite fees are a disguised form of interest that eat into workers' wages can create an income shortfall that leads to an escalating cycle of borrowing, otherwise known as a debt trap. The fee caps proposed in this amendment, and the amendments above, limit the likelihood that consumers will fall into a debt trap.

- Offer language to clarify that the term "interest" includes all costs.

Amend 12-1501 as follows:

(i)(1) "Interest" has the meaning stated in § 12-101 of this title.

(2) "Interest" **[does not]** include**S ANY FEE, TIP, GRATUITY, DONATION, CHARGE OR OTHER COST CHARGED, SOLICITED, COLLECTED OR RECEIVED [imposed]** by an earned wage access provider**[licensed under Title 11, Subtitle 2 of the Financial Institutions Article].**

This proposed amendment ensures that the interest rate encompasses the true cost of the loan and disguised forms of interest by prohibiting mislabeling costs and fees. EWA payday lenders have a documented history of deceptive claims regarding the interest associated with the transaction. Analysis of government enforcement actions demonstrates that EWA providers frequently advertise "0% APR," "no interest", or "interest free" for costly loans, while obscuring costs and pushing borrowers to pay."² Requiring that calculations and disclosures of "interest" reflect the true amount borrowers must pay to obtain the loan will limit this deceptive tactic.

Make it easier to exercise free options and make those options reasonable

² **Picking Workers' Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders** at pgs. 8-15, January 12, 2026. https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf

- If the consumer chooses not to pay an expedite fee, require the lender to use a method to send the money that is **reasonably designed to reach the consumer by the next day.**

Add to 12-1503(a)(3):

Whenever the provider offers a consumer the option to receive earned wage access services for a fee **[or solicits an optional tip, gratuity, or other donation]**, offer **[to]** the consumer at least one reasonable option to obtain earned wage access **IN A MANNER DESIGNED TO REACH THE BORROWER WITHIN ONE CALENDAR DAY** at no cost to the consumer;

This proposed amendment will address EWA providers' documented practice of artificially slowing or exaggerating the slow speed of deposits for fee-free transactions³ to make consumers more likely to pay fees for faster transactions. The significant majority of ACH payments settle in one business day or less⁴ and same day ACH or other forms of even more instant same day payments can be sent for only pennies. Therefore, an EWA provider has various options to comply with this requirement. This amendment would prohibit EWA providers from advertising slower than average transaction times for fee-free loans or artificially slowing disbursement of fee-free loans.

Limit repeat efforts to collect and make it easier to cancel repayment

- Prohibit lenders from debiting bank accounts or payrolls more than once.

Add to 12-1504:

(#) ATTEMPT REPAYMENT A SUBSEQUENT TIME IF THE INITIAL REPAYMENT ATTEMPT FAILS, EXCEPT THAT:

(i) A PROVIDER THAT OBTAINS REPAYMENT BY PAYROLL DEDUCTION OR ANOTHER METHOD DIRECTLY FROM THE EMPLOYER MAY MAKE ONE ADDITIONAL REPAYMENT ATTEMPT SOLELY IN THE EVENT OF A FAILED OR PARTIAL REPAYMENT THAT IS DUE TO ADMINISTRATIVE OR TECHNICAL ERRORS, AND

(ii) A PROVIDER MAY MAKE ONE ADDITIONAL REPAYMENT ATTEMPT IF, AFTER THE REPAYMENT FAILS, THE BORROWER REQUESTS AN ADDITIONAL REPAYMENT ATTEMPT AND AUTHORIZES THAT REPAYMENT ATTEMPT AFTER THE PROVIDER DISCLOSES TO THE CONSUMER IN A

³ See **Picking Workers' Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders** at pg. 14, January 12, 2026. https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf (Noting allegations against an EWA provider who "artificially slows deposits for no-fee Paycheck Advances sent to [branded] accounts, a process it describes as 'Delayed Deposits'").

⁴ Nacha, **The Significant Majority of ACH Payments Settle in One Business Day—or Less**, August 28, 2023. <https://www.nacha.org/news/significant-majority-ach-payments-settle-one-business-day-or-less>.

CLEAR, CONSPICUOUS AND READILY UNDERSTANDABLE MANNER WHEN AND HOW THE REPAYMENT WILL BE ATTEMPTED.

The amendment will reinforce the requirement that EWAs be based on actual earned wages that will be available on the repayment day. The amendment prohibits repeat attempts to debit payroll or a bank account if repayment fails for insufficient funds. The amendment will also help to prevent unaffordable EWA loans and reduce the likelihood that a repayment attempt will trigger an overdraft or NSF fee. Consumers who want to authorize another repayment attempt may do so if the EWA provider provides clear notice and obtains the consumer's permission. This will protect consumers from unaffordable loans and overdraft or NSF fees triggered by unexpected repayment attempts by EWA providers.

- Require a simple and easily findable method to cancel subscriptions or repayment of the loan.

Add to 12-1503(a):

(#) PROVIDE A CLEAR, CONSPICUOUS, SIMPLE, AND READILY ACCESSIBLE MECHANISM TO CANCEL ANY SUBSCRIPTION OR PAYMENT FROM ANY POTENTIAL SOURCE, WITH NO MORE THAN 24 HOURS' NOTICE.

This proposed amendment prohibits EWA providers' documented practice of making it difficult to cancel subscriptions in order to extract additional fees from consumers. Government enforcement actions against EWA providers demonstrate that "earned wage payday lenders with a subscription-based business model have employed numerous deceptive and unfair business practices (and likely abusive practices) to prevent borrowers from cancelling."⁵ This proposed amendment will address this tactic by mandating an easy, speedy, and accessible option to cancel recurring subscription fees.

Regulator authority

- Add comprehensive annual reports with data reporting on the costs, repeat usage, and other information, make those reports public, and require regular public reports.

⁵ See **Picking Workers' Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders** at pg. 22, January 12, 2026. https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf

Amend to 12-1506 as follows:

On or before July 1 each year, beginning in 2026, a provider of earned wage access shall submit a report to the Office of Financial Regulation that includes any information considered necessary by the Commissioner, as prescribed by regulation, to assess the size and status of the earned wage access market in the State. **THE SCOPE OF THE REPORT SHALL INCLUDE DATA FOR ALL TRANSACTIONS WITH CONSUMERS RESIDING IN THIS STATE DURING THE REPORTING PERIOD. ADDITIONALLY, THE REPORT SHALL INCLUDE:**

(a) THE TOTAL NUMBER OF BORROWERS WHO RECEIVED EARNED WAGE ACCESS SERVICES AT LEAST ONCE.

(b) THE TOTAL DOLLAR AMOUNT OF EARNED WAGE ACCESS SERVICES PROVIDED.

(c) THE TOTAL DOLLAR AMOUNT OF CHARGES PAID, DISAGGREGATED BY CATEGORY, INCLUDING SUBSCRIPTION OR MEMBERSHIP FEES, EXPEDITED DELIVERY FEES, TIPS OR GRATUITIES, DONATIONS, ACCOUNT TRANSFER FEES, OVERDRAFT FEES CHARGED BY THE PROVIDER AND ANY OTHER FINANCE CHARGES.

(d) THE TOTAL NUMBER OF TRANSACTIONS THAT INCURRED NO CHARGE, AND THE TOTAL NUMBER OF TRANSACTIONS THAT INCURRED ONE OR MORE CHARGES.

(e) FOR TRANSACTIONS THAT INCURRED ONE OR MORE CHARGES, THE MEDIAN AND MEAN TOTAL CHARGE, THE RANGE OF TOTAL CHARGES, THE MEDIAN AND MEAN ANNUAL PERCENTAGE RATE, AND THE RANGE OF ANNUAL PERCENTAGE RATES, CALCULATED CONSISTENT WITH THE DEFINITION OF INTEREST IN SECTION 12-101 OF THIS TITLE.

(f) REPAYMENT AND FAILED COLLECTION DATA. FOR TRANSACTIONS FOR WHICH REPAYMENT IS OBTAINED FROM THE CONSUMER'S DEPOSIT OR PREPAID ACCOUNT AND NOT SOLELY BY PAYROLL DEDUCTION OR DIRECT PAYMENT FROM AN EMPLOYER, THE REPORT SHALL ALSO INCLUDE:

(1) THE TOTAL NUMBER OF CONSUMERS FOR WHOM AT LEAST ONE REPAYMENT ATTEMPT RESULTED IN A FAILED OR PARTIAL REPAYMENT.

(2) THE TOTAL NUMBER OF TRANSACTIONS FOR WHICH THE PROVIDER ATTEMPTED TO COLLECT REPAYMENT TWO TIMES, AND THE TOTAL NUMBER OF TRANSACTIONS FOR WHICH THE PROVIDER ATTEMPTED TO COLLECT REPAYMENT THREE OR MORE TIMES.

(g) ANNUAL USAGE DISTRIBUTION. FOR THE PRIOR CALENDAR YEAR, THE REPORT SHALL INCLUDE THE NUMBER OF BORROWERS WHO RECEIVED:

(1) BETWEEN 1 AND 10 TRANSACTIONS;

(2) BETWEEN 11 AND 20 TRANSACTIONS;

(3) BETWEEN 21 AND 30 TRANSACTIONS;

(4) BETWEEN 31 AND 40 TRANSACTIONS;

(5) BETWEEN 41 AND 50 TRANSACTIONS;

(6) BETWEEN 51 AND 60 TRANSACTIONS; AND

(7) 61 OR MORE TRANSACTIONS.

(h) PUBLIC REPORT. THE OFFICE OF FINANCIAL REGULATION SHALL PREPARE AND PUBLISH AN ANNUAL CONSOLIDATED REPORT SUMMARIZING THE INFORMATION SUBMITTED PURSUANT TO THIS SECTION, WHICH SHALL BE MADE AVAILABLE TO THE PUBLIC IN A MANNER DETERMINED BY THE OFFICE OF FINANCIAL REGULATION.

This proposed amendment ensures that EWA providers collect and disclose the information necessary to monitor the impact of EWA lending on consumers and the Maryland economy and promotes public transparency and competition.

Address loan stacking

- Require lenders to implement measures to prevent advances to people who have taken out advances from other providers in the same wage period.

Add to 12-1503:

(#) IMPLEMENT MEASURES TO PREVENT AN EARNED WAGE LOAN FROM BEING PROVIDED TO A BORROWER WHO HAS PREVIOUSLY RECEIVED AN EARNED WAGE LOAN FROM ANOTHER EARNED WAGE LENDER ON THE BASIS OF THE SAME EARNED BUT UNPAID WAGE OR SALARY INCOME, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING MEASURES:

(i) THE ESTABLISHMENT AND IMPLEMENTATION OF POLICIES AND PROCEDURES REQUIRING A REVIEW AND ANALYSIS OF DATA IN THE POSSESSION AND CONTROL OF THE PROVIDER AT LEAST ONCE EVERY SIX MONTHS TO IDENTIFY, AND TAKE CORRECTIVE ACTION TO ADDRESS, INSTANCES OR PATTERNS INVOLVING A BORROWER RECEIVING MORE THAN ONE EARNED WAGE LOAN FROM MORE THAN ONE EARNED WAGE LENDER FOR A SINGLE PAY PERIOD, WHICH TOTALED MORE THAN THE BORROWER'S EARNED BUT UNPAID WAGE OR SALARY INCOME AMOUNT FOR SUCH PAY PERIOD; AND

(ii) ANY OTHER MEASURES THE OFFICE OF FINANCIAL REGULATION MAY REQUIRE; AND

(iii) PARTICIPATION IN, AND REGULAR REPORTING TO, A SECURE DATABASE, APPROVED BY THE OFFICE OF FINANCIAL REGULATION, THAT TRACKS OUTSTANDING EARNED WAGE LOANS MADE TO BORROWERS, AND USE OF SUCH DATABASE TO VERIFY, PRIOR TO MAKING AN ADVANCE, THAT THE BORROWER DOES NOT HAVE AN OUTSTANDING ADVANCE WITH ANOTHER PROVIDER FOR THE SAME PAY PERIOD.

The proposed amendment will limit EWA providers from “loan stacking” by allowing multiple EWA loans from different providers during the same pay period. Loan stacking virtually guarantees that a borrower will incur overdraft fees, face an income shortfall in subsequent pay-periods leading to a debt trap, or both outcomes. Requiring EWA providers to take measures to prevent loan stacking also helps to reinforce the requirement that loans be based on actual earned wages that have not been pledged to another lender.

Eliminate Unnecessary Exemptions

- Remove the exemption from laws governing money transmission. Some providers take control of the entire paycheck and should be covered by money transmission laws.

Amend 12-1502(d) as follows:

(d) Earned wage access services provided in accordance with this subtitle may not be considered[:

(1) A money transmission; or

(2)] A violation of or noncompliance with State laws governing deductions from payroll, salary, wages, compensation, or other income or the purchase, sale, assignment, or order for unpaid but earned wages.

Some providers with employer-based business models act as money transmitters by taking control of a worker’s entire paycheck. This can result in problems with people not receiving their wages in a timely fashion. This proposed amendment ensures that appropriate oversight and safeguards are in place when EWA providers engage in money transmission.

- Clarify that EWA providers should follow the requirements of the Electronic Funds Transfer Act when taking repayment from payroll cards, prepaid cards, or p2p accounts like Paypal.

Amend 12-1503(d)(11) as follows:

(11) Except as provided in subsection (b) of this section, if the provider will seek repayment of outstanding proceeds or payment of fees or other amounts owed or incurred[, including voluntary

tips, gratuities, or other donations,] from a consumer's account [at a bank] in connection with earned wage access services covered by this subtitle, including by means of electric fund transfer:

(i) **FOLLOW THE REQUIREMENTS OF [Comply with]** the federal Electronic Fund Transfer Act and regulations adopted to implement the Act; and

(ii) Reimburse the consumer within 5 business days for the full amount of any overdraft or nonsufficient fund fees imposed on a consumer by the consumer's bank that were caused by the provider attempting to seek repayment of any outstanding proceeds or payment of fees, tips, gratuities, or other donations in connection with earned wage access services covered by this subtitle.

The proposed technical amendment accounts for the diversity of EWA providers' business models, some of which rely on repayment from sources other than traditional bank accounts. This amendment deletes the requirement that the consumer's account be "at a bank," which ensures that EWA providers must abide by the EFTA when repayment is taken from non-bank accounts such as payroll cards, prepaid cards, or intermediaries like PayPal.