

**SB94-Commercial Law-Earned Wage Access-Revisions**  
**Position: FWA**

January 29, 2026

The Honorable Pam Beidle, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

My name is Whitney Barkley-Denney, and I am a senior policy counsel and Deputy Director of State Policy at the Center for Responsible Lending. CRL works in the states and in Congress to ensure a fair, inclusive financial marketplace that creates opportunities for all families and individuals, regardless of their income.

First, I want to thank the Office of Financial Regulation for bringing this important bill, and to Governor Moore's office for the well-thought-out response to HB 1294, the payday loan app bill passed last year. As I testified in 2025, payday loan apps, which market themselves as a product called Earned Wage Advance, are a cause of major concern for consumer protection groups nationally, as demonstrated by the fact that a letter asking Governor Moore to veto last year's bill was signed by nine national consumer protection organizations. That letter is attached to this testimony.

Research has consistently demonstrated that payday loan apps are designed for borrowing to escalate over time, with borrowers taking out loan after loan to fill the income gaps created or exacerbated by the initial advance. Research also demonstrates that these lenders derive most of their revenues from borrowers who get ensnared in multiple loans per month, including from multiple apps at a time. Because there are no checks of borrowers' other outstanding debts, the same portion of a borrower's income can be pledged to multiple loans. Recent research touted by the lenders themselves shows that bank penalty fees increase as a result of these loans, something the researcher dubbed the "EWA affect".

SB94 is an important first step in providing additional guardrails to HB1294. While HB 1294 established transaction fee caps of \$5.00 and \$7.50, these caps are excessively high given the small size and duration of these loans. Moreover, HB 1294 authorizes the lenders to seek so-called “tips” (a misleading term for a corporate revenue stream) and exempted “tips” from the caps. As a result, the caps do not provide meaningful protection.

Maryland should pass SB94 to ban tipping on earned wage advance payday loans. However, there is more that should be done to provide real guardrails for payday loan app borrowers.

With my testimony, I have submitted several additional amendments for your consideration. These amendments would lower the per transaction cost, create a monthly cap on costs, make it easier to exercise free options, limit attempts to collect on a payment that has already failed, address loan stacking effectively, and create clear disclosure requirements.

While none of these changes would protect Maryland consumers as well as Maryland’s historic rate cap, they would strengthen SB94 and create much more comprehensive oversight of this emerging and increasingly dangerous loan product.

**Attachments:**

- Amendments suggested by Center for Responsible Lending and National Consumer Law Center
- Letter to Governor Moore urging veto of HB1294