



SB 94 - Commercial Law - Earned Wage Access - Revisions
Senate Finance Committee
January 29, 2026
FAVORABLE WITH AMENDMENTS

What are Earned Wage Access (EWA) Products?

EWA products, known as **payday loan apps**, 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.”

SB 94 is a step in the right direction for increasing consumer rights protections from EWA lenders through banning tips. It also addresses the unintended consequences of the current law which exempts EWA lenders from some of Maryland’s anti-discrimination laws. With additional amendments that expands free options and provides protections from overdrafts, SB 94 will protect consumers and ensure that EWA lenders are practicing safety in Maryland.

	HB 1294 (Current Law)	SB 94 (Proposed Changes)	Proposed Amendments (Additional Changes)
Tips	Tips allowed, with limited guardrails: default \$0, no influence, disclosures, refund excess within 30 days (§§12-128, 12-318, 12-927, 12-1031). <i>*Allowing tips weakens transaction caps and limits their effectiveness*</i>	Tips fully banned. Lenders/providers may not accept or offer tips; must disclose prohibition; refund within 7 days if received	Clarifies that “interest” includes all costs (tips, fees, subscriptions) to prevent loopholes
Monthly cost caps	No total monthly cap; only per-advance limits	No new monthly cap	Total max \$10/month across all loans & costs
Per-transaction fees	\$5 (≤\$75) or \$7.50 (>\$75) per advance (§12-1505)	Keeps current law structure	\$2 max per transaction; 1 per week limit
Free (no-fee) option	Must offer at least one reasonable no-cost option and explain how to use it (§12-1503)	Same requirement; removes tip language and states tips are prohibited	If no expedite fee, require a free method designed to reach consumer next day
Repeat debit attempts	Must reimburse NSF/OD fees caused by provider; EFTA compliance (§12-1503(a)(11))	Same as current law	Only one debit attempt; simplify cancellation
Cancel subscriptions/repayment	Cancel anytime with no fee (§12-1503(a)(7))	Same as current law	Require simple, easily findable cancellation
Loan stacking	Not addressed	Not addressed	Must prevent advances if borrower already has one in same pay period
Regulatory reporting	Annual report to OFR starting 2026 (§12-1506)	No expansion beyond current law	Public annual reports on costs & repeat usage
Exemptions from other lending laws	Broad exemption from Subtitles 1,3,9,10 (§12-1502(c))	Narrows exemption: except §§12-304, 12-305, 12-316.1	N/A

Consumers need strong protections to prevent them from incurring hidden costs when accessing their own wages.

For these reasons, CASH encourages a favorable report with amendments on SB 94.