

**SB0094 EWA Written Testimony.docx.pdf**

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Position: FAV

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**MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SENATE BILL 94**

TO: Senate Finance Committee  
FROM: Secretary Portia Wu, Maryland Department of Labor  
DATE: 1/29/2026  
BILL: Commercial Law - Earned Wage Access - Revisions

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**MDL POSITION: SUPPORT**

**Background**

The Maryland Department of Labor (MD Labor) and its Office of Financial Regulation (OFR) are responsible for providing consumer financial protections, licensing consumer lenders, and enforcing state laws regarding pay and wages. Many employers offer employees, mostly low-wage and hourly workers, the opportunity to access some of their accrued wages before the end of their payroll cycle through online Earned Wage Access (“EWA”) products. These products, particularly when offered to employees by unconnected third-party providers, often come with fees or other costs. The Department believes it is critical that any financial products allowed in the State, including EWA products, maintain the protective consumer framework established by Maryland law.

EWA services have been growing in popularity because they allow consumers faster access to their earned, but not yet paid, wages. However, these products, particularly when offered by third-party providers unaffiliated with the employer, **often come with high fees and other hidden costs**. For example, the company providing these advances may charge a flat fee or even request a “tip” to provide the loan. Other companies advance funds using a debit card and charge transaction fees to access the wage advance. While these products are marketed as affordable, costing only a few dollars over a two-week period, the fees can carry an annual percentage rate (“APR”) of between 100% and 400%, far above the maximum interest rate of 33% APR permitted for all other loans under Maryland lending laws.

In 2025, the legislature passed HB1294, which addressed the regulation of EWA loans. That legislation took critical steps to clarify that EWA products are loans and providers must be licensed as consumer lenders, as well as placed limits on per-transaction fees. By adopting provisions explicitly regulating EWA products, the

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General Assembly clearly envisioned that these offerings should be included within Maryland’s consumer protection framework along with all other loans.

However, as highlighted in Governor Moore’s letter to the General Assembly, HB1294 carved out EWA products from core consumer protections.<sup>1</sup> The law exempted EWA lenders from the false advertising and non-discrimination provisions of the Maryland lending laws. And it allowed companies providing EWA loans to request a “tip” during the loan transaction. These costs can be difficult for consumers to understand and avoid.

**What SB94 Proposes to Do:**

The legislation the Department is bringing today ensures vital consumer protections apply to Earned Wage Access products as they do to all other lenders in Maryland. It is designed to safeguard small-dollar borrowers from exploitative tipping practices, which are inherently abusive and anti-competitive. EWA users are often of limited means and should not be subjected to overt and/or subtle pressure to pay any fees under the guise of “tips”. The bill:

1. Mandates that EWA lenders adhere to certain advertising and non-discrimination requirements;
2. Aligns EWA loan requirements with those of all other small-dollar lenders; and
3. Prohibits lenders from asking for tips.

**EWA Products: Market Inquiry Findings**

The importance of these key safeguards with respect to EWA products are supported by the findings from the Office of Financial Regulation’s 2024 Market Inquiry. OFR found that EWA products are used by low-wage workers in minority communities; there is a high rate of repeat use; and most companies do not rely on tips as a significant revenue source. **A data sheet with the results of OFR’s Market Study in 2024 is included at the end of this testimony.**

The Market Inquiry found that typical EWA users in Maryland are individuals earning between \$25,000 and \$50,000 annually, aged 25 to 33, and with a high school education. Many of these users have additional debt and turn to EWA products for immediate needs, especially groceries. The most common advance amount ranges between \$25 and \$100, and there is prevalent use of multiple EWA products in a

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<sup>1</sup><https://governor.maryland.gov/Lists/Vetoed/Attachments/18/HB1294%20-%20Earned%20Wage%20Access%20-%20Special%20EWS%20Letter.pdf>

single month. Moreover, Black and Hispanic communities use EWA services at higher rates, with transaction volume correlating to the percentage of minority populations in a given area. Additionally, consumers in zip codes with greater financial constraints and higher rent burdens tend to rely more on EWA products. Maps provided at the bottom of this document show the concentration of users in these areas. Separately, the data also indicated that individuals with lower financial literacy are more likely to rely on these products, and that defaults are disproportionately higher for individuals over age sixty-five. Workers in zip codes with fewer people with a bachelor's degree are more likely to use EWA services.

The data in the Market Inquiry showed that there are significant consumer impacts associated with EWA products. **Most users across all companies have 51 or more repeat transactions.** High repeat usage rates suggest users' financial dependency. Additionally, consumers have faced negative experiences such as declined transactions, unpaid advances, and salary reconciliations. Importantly, nearly **2,700 complaints were raised by Maryland residents over a five-year span.** All of these factors underscore the need for ensuring consumers are protected from false advertising and discriminatory practices, and requiring EWA services to comply with the same truth in lending and other consumer protections as other consumer loan products.

The data also shows that, over the period analyzed, many users voluntarily paid tips that often exceeded \$2.00 per transaction and averaged \$282.44 per user, fees paid by workers on top of service fees to access their own wages. This reflects a real and well-documented consumer protection problem recognized as **dark-pattern pricing.** Dark patterns are design and pricing practices that trick, manipulate, or steer consumers into decisions that benefit the provider at the consumer's expense, such as disguising costs or emphasizing 'optional' payments in ways that obscure the true price of a product or service. Most providers now offer employer-integrated solutions, with a growing trend toward the use of bank partnerships and requirements for direct deposits to branded accounts, and provide debit and credit cards. Expedite fees vary widely, and while users often pay tips and fees if asked as part of the cash advance application process, the data provided shows that these fees do not significantly contribute to most company revenues. Instead, interchange fees represent a major source of revenue. In fact, most providers responding to OFR's Market Inquiry earned more from interchange fees than from the fees and tips they received from users. **Limiting additional fees and prohibiting the solicitation of**

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**misleading “tips” protects consumers and will not result in a material reduction in revenue for the vast majority of EWA providers operating in Maryland.**

**CONCLUSION**

Senate Bill 94 restores balance to Maryland’s consumer protection framework by closing gaps that have allowed Earned Wage Access loan providers to impose confusing, unnecessary, and often exploitative costs on workers seeking access to their own earned wages. The Department’s Market Inquiry confirms that tipping practices are not essential to provider viability, yet they impose real financial harm on consumers, particularly low-wage workers and communities already facing financial strain.

By prohibiting tipping, applying core advertising and non-discrimination standards, and aligning EWA providers with other small-dollar lenders, SB 94 advances transparency, fairness, and equity without stifling innovation.

**For these reasons, the Maryland Department of Labor respectfully urges the Committee to issue a favorable report on Senate Bill 94.**

For questions, please contact Andrew Fulginiti at [Andrew.Fulginiti@maryland.gov](mailto:Andrew.Fulginiti@maryland.gov)

## Market Inquiry Data on Earned Wage Access (EWA) Products

### Impact on Low-Income and Minority Workers

- EWA usage is highest among those earning **\$25,000 - \$50,000** annually.
- Black and Hispanic communities show disproportionately high usage rates.
- Workers in zip codes with higher financial constraints and rent burdens are more reliant on EWA services.

### High Cost of EWA Products to Workers

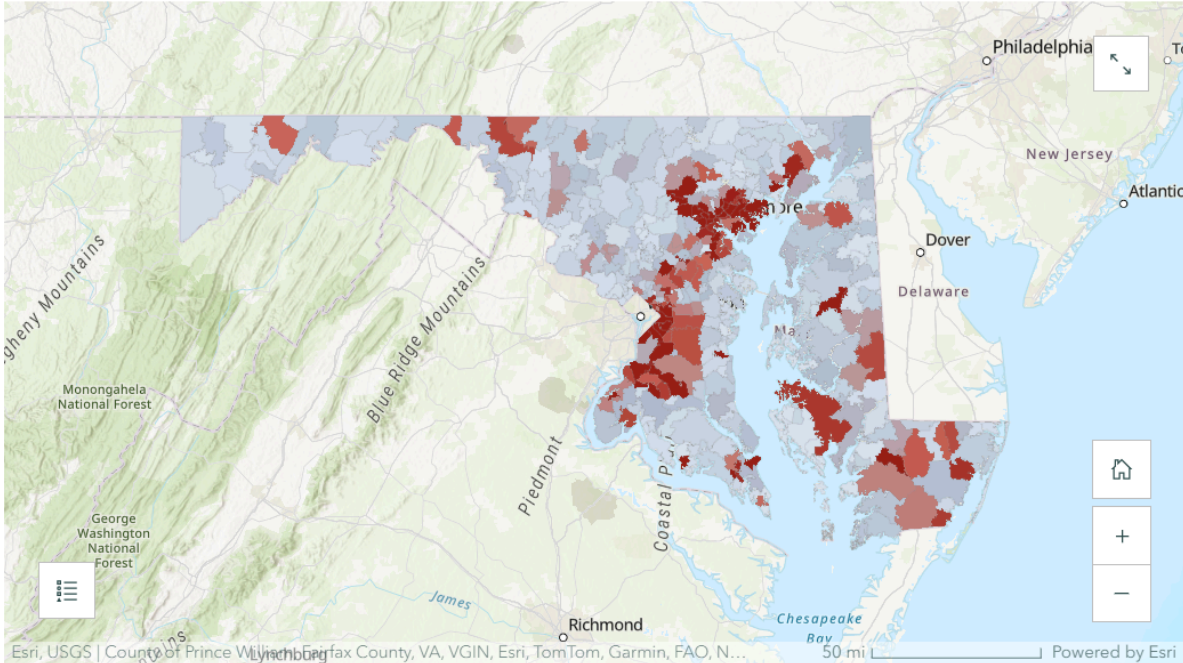
- The average transaction value is **\$108.18**, with an average APR of **66.28%**.
- At least 3 providers have APR equivalents exceeding **100%**, with one company charging an APR of **227.17%**.
- Fees range from **\$1.99 to \$5.00** per transaction.
- **50%** of users pay expedited fees, totaling approximately **\$3.8 million** in Maryland.
- Despite claims that EWA is an alternative to payday loans, the data suggests EWA products carry high APR and similar repeat-use cycles.

### Repeat Use and Cycles of Reliance

- From January 1, 2019, to September 26, 2024, there were 11,141,090 EWA transactions in Maryland totaling \$108,082,684, with 345,437 unique customers.
- Most users have **51 or more** repeat transactions, with cash-out amounts exceeding **\$500** per transaction.
- **23%** use the service at least once every two weeks, suggesting habitual use.

### Negative Impacts

- **9,820** transactions failed or were declined due to a lack of funds.
- Debt collection and disputes over payment terms are the top consumer complaints.
- EWA defaults are disproportionately higher in older age groups (**65+**) and by lower income groups (**<\$50,000**).



EWA Transactions\_2024 Transactions Rate Per 1,000 Pop

**FINAL\_GOC Letter of Support (SB 94) (1).pdf**

Uploaded by: Andrea Barnes

Position: FAV

January 29, 2026

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: Senate Bill (SB) 94 - Commercial Law - Earned Wage Access - Revisions - Letter of Support**

Dear Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee,

The Governor's Office for Children (the Office) respectfully submits this letter of support for Senate Bill 94 - Commercial Law - Earned Wage Access - Revisions. SB 94 introduces crucial consumer protections related to Earned Wage Access (EWA) lenders and products. SB 94 restricts EWA lenders from requesting tips from consumers, requires lenders to follow advertising and non-discrimination requirements, and regulates EWA loans in accordance with requirements over other small-dollar lenders.

The Office supports SB 94 as it protects consumers, particularly low-income and consumers of color, against financially harmful and exploitative practices that further exacerbate financial hardship while also providing regulatory consistency across loan products. According to the Maryland Department of Labor's Office of Financial Regulation (OFR)'s 2024 Market Study, Black and Hispanic communities, low-income workers earning \$25,000 to \$50,000, and individuals living in high financial constraint and rent burdened areas are the most frequent users of EWA products. Harmful financial practices in the EWA market stand to further exacerbate the racial wealth gap. Nationally, racial disparities are most pronounced at the lowest-end of the income spectrum, with Black households holding only 11.83% of the wealth held by White households.<sup>1</sup> And, irrespective of income levels, White households hold between 3.4 and 5.5 times as much wealth as Latino/a and Black households in Maryland.<sup>2</sup> As for debt, communities of color face disproportionately higher rates of debt in collections than white communities in the State.<sup>3</sup> Given high fees, annual percentage rates (APR), high rates of repeat transactions among consumers, and resulting decline payments and debt collection issues, without further regulation, EWA services stand to disproportionately harm those with the greatest financial needs in the State.

Further, Marylanders should be able to access critical resources, particularly their well-earned wages, in times of need without being exploited and misled. To ensure that Marylanders can

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<sup>1</sup> [Addo-et-al-2024-setting-the-record-straight-on-racial-wealth-inequality.pdf](#)

<sup>2</sup> U.S. Census Bureau, 2018-2023 Survey of Income Program and Participation, public-use data.

<sup>3</sup> [Debt in America: An Interactive Map](#)

achieve financial stability and economic mobility, it is imperative that the State protects consumers against the harms outlined in SB 94 and provides borrowers consistency across loan products. SB 94 prioritizes consumers and regulatory consistency by issuing critical consumer protections and aligning standards to existing lending practices. SB 94 supports Marylanders' pursuit of work, wages, and wealth. This is a reasonable and responsible approach for both borrowers and industry. For these reasons, the Governor's Office for Children strongly supports SB 94 and urges a favorable report. Thank you for your consideration.

If you would like to discuss this further, please do not hesitate to contact Andrea Barnes, Policy Advisor and Manager of Legislative Affairs at [andrea.barnes@maryland.gov](mailto:andrea.barnes@maryland.gov).

Sincerely,



Carmel Martin  
Special Secretary, Governor's Office for Children and Senior Advisor to the Governor for Policy

# **SB 94 - Final.pdf**

Uploaded by: Anthony Davis

Position: FAV



**Testimony in Support of Senate Bill 94  
Commercial Law – Earned Wage Access – Revisions  
Senate Finance Committee  
Hearing Date: January 29, 2026  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on SB 94 in response to a request from Senator Clarence Lam.*

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, the working poor and veterans. With 12 offices serving residents in each of Maryland's 24 jurisdictions, MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law, and criminal record expungements. MLA supports passage of SB 94.

Many of our clients are low-wage workers but the topic addressed by this legislation is not a low-income issue. Many Maryland families live paycheck-to-paycheck, barely able to make ends meet, and find it hard to afford even the bare necessities like housing, food, and utility costs. These stark realities create the market for providers of earned wage access products. However, when a small dollar “earned wage access” (EWA) advance is layered with expedite fees, subscriptions, and repeated automatic debits, it can destabilize household budgets, trigger bank overdrafts and leave families short on rent, utilities, food, and transportation.

**1) Maryland’s current EWA framework—and why SB 94 is needed now**

In 2025, Maryland enacted a new EWA subtitle within the Commercial Law Article that created a licensing framework and consumer conduct requirements. That law requires providers to offer at least one no-cost option, disclose fees, comply with privacy and information security laws, reimburse certain overdraft/NSF fees caused by provider debits, and submit annual reports to the Office of Financial Regulation (OFR). It also capped expedited delivery fees (generally \$5 for advances of \$75 or less, and \$7.50 for advances over \$75).<sup>1</sup>

However, the 2025 statute also permitted providers to solicit and collect “tips,” subject to disclosure rules and a “default tip at zero” requirement.<sup>2</sup> Subsequent public discussion and enforcement activity nationally has underscored that “tips” are frequently not experienced by consumers as truly voluntary and can operate like a concealed finance charge—especially when apps use design features that steer users toward paid options or make it difficult to choose a free option quickly.<sup>3</sup> Maryland policymakers have also raised concerns about loan-stacking (multiple providers advancing against the same wages) and the broader consumer-protection implications of creating carve-outs from existing lending rules.<sup>4</sup> SB 94 is a timely and targeted improvement because it (1) bans tipping outright in relevant contexts, and (2) narrows aspects of the exemption structure by clarifying that certain consumer loan protections continue to apply.

## **2) What SB 94 does well: banning tips and tightening compliance expectations**

SB 94 makes a clear, enforceable change: **EWA providers and certain lenders may not solicit, charge, or retain tips, gratuities, or other donations.** It also requires providers to disclose in their contracts that the provider is prohibited by law from soliciting or retaining tips. This is important because a tipping model invites consumer confusion and manipulation, and it is difficult for regulators to supervise when “optional” payments are embedded in app flows.

SB 94 also shortens the time to correct improper tip receipt from **30 days to 7 days**, better reflecting the reality that for many Maryland households, even a small deduction can immediately cause overdrafts or missed bills.

## **3) Where Maryland law still needs strengthening: cumulative cost, “free option” usability, debit practices, and exit rights**

Even with a tip ban, EWA products can remain high-cost when the business model relies on repeat transactions and per-advance fees. Several independent analyses have found high repeat-use patterns and increased overdraft incidence associated with cash advance app use, which is consistent with the harms MLA sees in practice when repayment hits before rent, utilities, or childcare expenses clear.<sup>5</sup>

## **4) Brief note on other states**

States have taken divergent approaches: some treat EWA advances as loans under existing lending laws, while others created special EWA regimes that leave significant gaps. Maryland’s 2025 law placed it among states that adopted a distinct EWA framework.<sup>8</sup> SB 94 is an opportunity to further strengthen Maryland’s approach by removing tipping and adding practical, measurable cost and transparency limits.

## **Conclusion**

MLA supports SB 94 because it strengthens Maryland’s EWA law by prohibiting tips and tightening compliance expectations. With the amendments above, especially a \$10 all-in monthly cost cap, timely access to a real no-fee option, limits on repeat debits, simple cancellation, and stronger public reporting, Maryland can better protect low-wage workers and struggling families from unaffordable, repeat-use loans/credit that drains future paychecks.

**MLA respectfully requests a Favorable Report on SB 94.**

Respectfully Submitted,

Anthony Davis  
Advocacy Director for Consumer Law

Maryland Legal Aid, Inc.  
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## Footnotes

1. Alexander J. Callen, *Maryland Enacts Law Regulating Earned Wage Access Services* (Goodwin client alert, May 27, 2025) (summarizing licensing, free-option requirement, capped expedited delivery fees, overdraft reimbursement requirement, and annual reporting to the Office of Financial Regulation).
2. *Id.* (summarizing 2025 Maryland law tip requirements, including default tip at \$0 and disclosures when tips are solicited/received).
3. National Consumer Law Center, *Picking Workers' Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders* (Jan. 2026) (describing “dark patterns” and coercive interfaces that steer users toward purportedly voluntary tips and fees).
4. Center for Responsible Lending, *Nickel and Dimed: How Payday Loan Apps Drain Workers' Pay and How to Stop Them* (Oct. 2025) (describing Maryland’s 2025 law debate and concerns raised, including tips and loan stacking).
5. Texas Appleseed, *Understanding “Earned Wage Access” & “Buy Now, Pay Later” Apps* (2025 RAISE Texas Summit) (citing reported average increase in overdrafts after EWA use and high repeat-use indicators, drawing on GAO/California DFPI/CRL sources).
6. NCLC, *Picking Workers' Pockets* (Jan. 2026) (summarizing enforcement allegations involving barriers to cancellation and subscription “negative option” practices).
7. CRL, *Nickel and Dimed* (Oct. 2025) (recommending robust reporting and transparency; discussing loan stacking risk and repeat borrowing patterns).
8. Callen, *Maryland Enacts Law Regulating Earned Wage Access Services* (May 27, 2025) (noting Maryland joins other states adopting similar legislation and describing the new oversight regime).

**SB 94\_AFSCME3\_FAV.pdf**

Uploaded by: Denise Gilmore

Position: FAV



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Patrick Moran – President

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**SB 94 – Commercial Law – Earned Wage Access – Revisions**  
**Finance Committee**  
**January 29, 2026**

**Position: FAVORABLE**

AFSCME Maryland Council 3 represents approximately 55,000 state, county, and municipal workers across Maryland. We support Senate Bill 94, which will prohibit app-based payday lenders from steering individuals into tipping for the “service” of accessing wages they have already earned. This seemingly small practice carries significant financial consequences, particularly for low-income workers who rely on these services.

Tipping in this context is not a voluntary act of gratitude, it is a hidden cost that benefits the lender, not the worker. Many users may not even realize they are being encouraged to provide extra payment on top of the fees they already owe. For individuals living paycheck to paycheck, even a small additional cost can accumulate and deepen financial vulnerability. By formalizing a prohibition against this practice, SB 94 removes a deceptive and unnecessary burden on workers.

While many wage access providers may not actively solicit tips, leaving the practice unregulated allows for inconsistent and potentially exploitative behavior. Establishing clear rules will provide certainty for consumers, ensure fair treatment, and prevent low-income workers from being unknowingly pushed further into debt.

This legislation is fundamentally pro-worker and pro-consumer. It reinforces the principle that individuals should not be penalized for accessing the wages they have already earned, and it promotes transparency and fairness in the financial products they use. We urge the committee to recognize the importance of protecting workers from hidden costs and to provide a favorable recommendation for SB 94. Doing so will send a clear message that our state prioritizes fairness, financial dignity, and economic security for all its residents.

Thank you.

**SB94\_FAV.pdf**

Uploaded by: Donna Edwards

Position: FAV



## MARYLAND STATE & D.C. AFL-CIO

*Affiliated with the National AFL-CIO*

**Donna S. Edwards**  
*President*

**Samuel Epps, IV**  
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### **SB 94 - Commercial Law - Earned Wage Access - Revisions**

#### **Senate Finance Committee**

**January 29, 2026**

**SUPPORT**

**Donna S. Edwards**

**President**

#### **Maryland State and DC AFL-CIO**

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 94. On behalf of 700 affiliated unions, I offer the following comments.

We support workers receiving their wages promptly. Earned wage access should help people close financial gaps, not subject them to predatory practices. SB 94 addresses this by prohibiting tipping practices by lenders to protect consumers and workers alike. By prohibiting providers from even asking for a tip, the bill ensures that people are not exposed to hidden charges when they are simply trying to access the pay they have already earned.

Without clear guardrails, earned wage access lenders leave workers exposed to the harms associated with those loans. While these products are sold as a solution to financial gaps, what they do not advertise (and what lenders rely on) is hidden fee structures, aggressive repayment practices, and “voluntary” tipping. This is especially important because many earned wage access providers operate at scale, targeting low-wage workers who are unable to make those payments. When these lenders are not held to the same licensing and enforcement standards as other consumer loan providers, workers are put at significant risk. SB 94 closes these gaps by requiring licensing, enforcing refund timelines, and banning the tipping practices that have become a source of hidden costs.

The bill also enhances transparency as it shortens refund timelines and brings earned wage access providers under Maryland’s existing consumer loan licensing and enforcement framework. These updates create a more accountable system that protects workers from unexpected fees.



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## MARYLAND STATE & D.C. AFL-CIO

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We support this year's SB 94 because workers deserve protection from lenders that fail to abide by Maryland's lending laws, and it ends the unfair and opaque tipping practices used by some earned wage access products.

For these reasons, we urge a favorable report on SB 94.



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**SB0094\_FAV\_NCLC\_Saunders.pdf**

Uploaded by: Patrick Crotty

Position: FAV



January 27, 2026

The Hon. Pamela Beidle  
The Hon. Antonio Hayes  
Senate Finance Committee  
Maryland General Assembly

Re: SB 94/HB 237 Earned Wage Revisions (Support)

Dear Chair Beidle, Vice Chair Hayes and, and Members of the Senate Finance Committee:

We present this testimony on behalf of the National Consumer Law Center (NCLC).

NCLC uses its expertise in consumer law to work for consumer justice and economic security for low-income and other disadvantaged people in Maryland and elsewhere in the United States.

Thank you for the opportunity to offer testimony in support of House Bill 237 and Senate Bill 94 (HB237/SB94).

**SB 94/HB 237 Will Address Manipulative Practices by Earned Wage Payday Lenders**

A new breed of payday loans, so-called earned wage access products, exacerbate affordability problems by taking hundreds of dollars per year from low-wage workers.<sup>1</sup> Earned wage payday lenders claim to provide immediate access to workers' pay to address emergencies; however, in reality, borrowers end up locked in an escalating cycle of repeat borrowing – a debt trap.

Instead of taking out earned wage payday loans infrequently to deal with unexpected expenses, repeat borrowing is the norm, at levels far higher than traditional payday loans. The

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<sup>1</sup> [Verified Petition, People of the State of New York v. DailyPay, Inc.](#), at ¶100, Index No. 154851/2025 (April 14, 2025) (Citing internal documents forecasting annualized revenue of over \$300 per active borrower); Center for Responsible Lending, [November 2025 EarnIn Study Shows the Harms of Payday Loan Apps \(“EWA”\)](#), January 23, 2026 (Finding “the average EarnIn user pays about \$250 annually in fees.”)

New York Attorney General (NY AG) found that 40% of Money Lion users paid fees for **10 or more advances a month**,<sup>2</sup> and found similar patterns at DailyPay, where one worker took out **over 450 loans and paid nearly \$1,400 in fees over two years**.<sup>3</sup> Low-wage workers are already pushed to the brink by high prices and stagnant wages. NCLC fully supports Maryland’s efforts in HB237/SB94 to prevent manipulations that increase fees and make workers pay to be paid.

HB237/SB94 would directly address affordability problems by stopping lenders from soliciting manipulative tips, and with proposed amendments, by capping the maximum fees that earned wage payday lenders can extract from borrowers. Additionally, many of the proposed amendments will crack down on unfair, deceptive, and abusive practices that are rampant among earned wage payday lenders. Recent public enforcement actions by state attorneys general, the Federal Trade Commission (FTC), the Consumer Financial Protection Bureau (CFPB), and the City of Baltimore<sup>4</sup> demonstrate earned wage payday lenders unfair, deceptive and abusive tactics, such as:

- Deceptive and manipulative practices regarding costs, including:
  - Disclosing 0% APR, “no interest” or “interest free” even as up to 90% of users pay costly fees.

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<sup>2</sup> See NCLC, [MoneyLion’s Costly “0% APR” “Earned Wage” Payday Loans](#) (May 22, 2025) (summarizing NY AG lawsuit); see also Consumer Financial Protection Bureau, Data Spotlight: Developments in the Paycheck Advance Market, (Jul. 18, 2024). (“**Repeat usage is high and the share of workers using earned wage products each month is increasing**. The average worker in our sample had 27 earned wage transactions per year. The share of workers in our sample using the product at least once a month increased from 41% in 2021 to nearly 50% in 2022.”) (emphasis in original). Available at <https://wayback.archive-it.org/23481/20250103024555/https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-developments-in-the-paycheck-advance-market/>

<sup>3</sup> NCLC, [DailyPay Extracts Hundreds of Dollars From Low-Wage Workers’ Pay](#) (May 8, 2025) (summarizing NY AG lawsuit).

<sup>4</sup> Copies of the complaints filed in selected enforcement actions are available here:

<https://www.nclc.org/resources/selected-government-enforcement-actions-against-earned-wage-payday-lenders/>

- o Promoting “instant” or “fast loans,” while hiding high “expedite” fees that almost all borrowers pay.
- o Delaying disbursement or exaggerating the amount of time needed for delivery if the borrower does not pay an “expedite” fee.
- o Obscuring costs by hiding them on websites and apps or not fully disclosing them until the borrower is deep into the sign-up process for the loan.
- Dark patterns that are unfair or abusive tricks to coerce purportedly voluntary “tips” and “donations,” including:
  - o Using default options that include costs automatically.
  - o Deceptive and manipulative user interfaces that steer users towards accepting advances with costs or make it difficult to avoid tips.
  - o Repeated requests for tips and interfaces that require multiple steps to avoid a tip.
  - o Deception around the purpose of a tip or amount of funds being donated.
  - o Psychological manipulations and guilt, including implied threats of consequences for borrowers who do not tip.
- Advertising large loans that few borrowers receive and limiting loan size or pushing smaller loans to multiply fees.
- Creating obstacles to prevent borrowers from canceling; and
- Lending regardless of whether borrowers can repay without further loans, leading to a cycle of dependence on new earned wage payday loans with additional fees.

The prevalence of unfair, deceptive and abusive practices in this industry necessitates legislative action.<sup>5</sup>

Prohibiting tips and other purportedly voluntary fees in earned wage access payday loans, as proposed in HB237/SB94, is an essential consumer protection. As noted above, earned wage payday lenders use a variety of tricks and manipulations to ensure that borrowers tip approximately 73% of the time.<sup>6</sup> These tips are inherently misleading as they do not compensate any particular employee for service, as tips traditionally do, but instead go directly to the earned wage payday lender as revenue.

### **Proposed Amendments Would Strengthen the Bill**

Additionally, proposed amendments to HB237/SB94 will address other documented unfair, deceptive, and abusive practices by earned wage payday lenders.

NCLC supports amending the bill to cap total monthly, weekly, and per transaction fees. These limits are necessary both to prevent high 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.”<sup>7</sup> Fee caps reduce the

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<sup>5</sup> Destructive industry practices documented in government enforcement actions are discussed in NCLC’s report: **Picking Workers’ Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders**, January 12, 2026. Available at [https://www.nclc.org/wp-content/uploads/2026/01/2026.01\\_Report\\_EWA.pdf](https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf).

<sup>6</sup> Consumer Financial Protection Bureau, Data Spotlight: Developments in the Paycheck Advance Market (Jul. 18, 2024) (“One recent data summary found that the average tip amount was \$4.09, and that tip-based providers received such fees 73% of the time.”) Available at <https://wayback.archive-it.org/23481/20250103024555/https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-developments-in-the-paycheck-advance-market/>

<sup>7</sup> NCLC, **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](https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf).

incentive for lenders to manipulate borrowers into taking multiple, small loans to maximize fees, by placing a limit on the total amount lenders can extract using such tactics.

Another amendment would reduce per transaction 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 and can create an income shortfall that leads to an escalating cycle of borrowing, otherwise known as a debt trap. Fee caps limit the likelihood that consumers will fall into a debt trap.

NCLC also supports amending the bill so that if the consumer chooses not to pay an expedite fee, the law will require the lender to use a method to send the money that is reasonably designed to reach the consumer by the next day. This proposed amendment will address EWA providers' documented practice of artificially slowing or exaggerating the slow speed of deposits for fee-free transactions<sup>8</sup> to make consumers more likely to pay fees for faster transactions. The significant majority of ACH payments settle in one business day or less<sup>9</sup> 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.

HB237/SB94 should also be amended to prohibit lenders from debiting bank accounts or payrolls more than once without a consumer's permission. The amendment will reinforce the requirement that EWAs be based on actual earned wages that will be available on the repayment

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<sup>8</sup> 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](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'").

<sup>9</sup> 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>.

day. Repeat attempts to debit payroll or a bank account if repayment fails for insufficient funds trigger overdraft or NSF fees. This amendment will 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.

It is also important to amend HB237/SB94 to require a simple and easily findable method to cancel subscriptions or repayment of the loan. Some EWA providers have a 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.”<sup>10</sup> This proposed amendment will address this tactic by mandating an easy, speedy, and accessible option to cancel recurring subscription fees.

The bill should also be amended to require public, comprehensive annual reports with data reporting on the costs, repeat usage, and other information about earned wage payday loans. 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.

Finally, NCLC supports amending HB237/SB94 to require lenders to implement measures to prevent advances to people who have taken out advances from other providers in the same wage period. The proposed amendment will limit EWA providers from “loan stacking” by

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<sup>10</sup> 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](https://www.nclc.org/wp-content/uploads/2026/01/2026.01_Report_EWA.pdf)

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.

Protecting borrowers from financial exploitation is a paramount concern. Earned wage payday loans worsen the affordability crisis and harm the most vulnerable low-wage workers.

Thank you for your time and consideration of this critical issue. Please do not hesitate to contact us with any questions.

Respectfully Submitted,

Lauren Saunders  
Associate Director  
National Consumer Law Center  
lsaunders@nclc.org

Patrick Crotty  
Senior Attorney  
National Consumer Law Center  
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# **SB94- Poverty Free Maryland - FWA.pdf**

Uploaded by: Abby Snyder, Co-Chair

Position: FWA



# TESTIMONY IN SUPPORT WITH AMENDMENTS OF SB 94

## Commercial Law - Earned Wage Access - Revisions

### Senate Finance Committee

#### January 29, 2026

## POVERTY FREE MARYLAND

Poverty Free Maryland supports SB 94 with amendments. This bill protects consumers by prohibiting Earned Wage Access (EWA) lenders from accepting “tips” and requiring lenders to provide speedier refunds to its users.

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.” These products are increasingly used by workers with limited savings and unstable cash flow, making strong consumer protections essential. Last year, the General Assembly was able to pass regulations for EWA products. However, there were unintended consequences such as excluding EWA product users from Maryland’s anti-discrimination laws.

Over the past year, advocates collaborated with the Department of Labor, and we support SB 94’s goal of establishing baseline consumer protections. With the following targeted amendments, this bill can more effectively protect consumers while allowing responsible products to operate.

#### **Amendments**

Currently, fees are capped per transaction. The amendments would cap the total monthly cost to the consumer at ten dollars, inclusive of all charges across all advances. This cap should cover transaction fees, expedited fees, subscription fees, and any other required or optional costs. The bill should specify that the term “interest” includes all costs paid by the consumer, regardless of how those costs are labeled.

If a consumer chooses not to pay an expedite fee, lenders should be required to use a delivery method reasonably designed to make funds available by the next business day. Free options that involve multi day delays effectively pressure consumers into paying additional fees.

Lenders should be prohibited from attempting to debit a bank account or payroll more than once per advance. Multiple debit attempts increase the risk of overdraft fees and payroll disruptions.

The bill should also require a simple and easily accessible method to cancel subscriptions or repayment authorizations. Consumers should not face more barriers to canceling than they do to enroll.

Consumers need stronger protection to prevent them from incurring hidden costs when accessing their own wages. **Poverty Free Maryland appreciates your consideration and urges the committee to issue a favorable with amendments report for SB 94.**

***Poverty Free Maryland** envisions a Maryland without poverty, and a future where all Marylanders have the support and economic stability that’s needed to thrive.*

*Founded in 2025 through the merger of Welfare Advocates (established in 1979) and Marylanders Against Poverty (established in 1988), **Poverty Free Maryland** is a coalition of service providers, faith groups, and other organizations working together to exchange information, educate decisionmakers, and advocate for statewide public policies and programs necessary to address the underlying systemic causes of poverty and ensure that low-income Marylanders are provided with low- and no-barrier access to all resources needed to thrive and build a better life for the future.*

#### **Voting Member Agencies:**

Anne Arundel County Food Bank

Baltimore Jewish Council

CASH Campaign of Maryland

Catholic Charities

Family League of Baltimore

Laurel Advocacy & Referral Services, Inc.

Maryland Center on Economic Policy

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

**Poverty Free Maryland**

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**CDN SB 94 FAVORABLEFWA.pdf**

Uploaded by: Claudia Wilson Randall

Position: FWA



**Testimony SENATE BILL 94  
FINANCE COMMITTEE  
January 29, 2026  
Position: FAVORABLE WITH AMENDMENTS**

Dear Chair Beidle and Members of the Finance Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non- profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

As drafted SB94 will eliminate the ability of these app-based payday lenders to steer individuals into tipping them for the 'service" of borrowing against their next paycheck.

Earned Wage Access (EWA) serves as an alternative to the high-interest debt traps that have historically plagued low-wage workers. By allowing employees to access capital they have already earned—rather than borrowing against future, unearned income. To truly empower workers, however, the regulatory framework must be strengthened to ensure these services remain affordable, transparent, and strictly prohibited from evolving into a new form of unaffordable credit.

We support strengthening SB94 with the following amendments that are needed to protect low-wage workers and struggling families from unaffordable credit.

- Limit the total maximum monthly cost, covering all loans and all costs (expedite fees, subscriptions, etc.), to \$10 month.
- Make it easier to exercise fee-free options while ensuring the funds reach individuals in a timely manner.
- Limit repeat efforts to debit a bank account to collect.
- Make it simpler to cancel subscriptions or repay a loan.
- Require annual reports on costs, usage, and other information.

We ask that you include these amendments on the final bill. If amended as proposed above, we support SB94.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

**SB94\_OAG\_FWA**

Uploaded by: Deputy Attorney General Leonard Howie

Position: FWA

**CAROLYN A. QUATTROCKI**  
*Chief Deputy Attorney General*

**LEONARD J. HOWIE III**  
*Deputy Attorney General*

**CARRIE J. WILLIAMS**  
*Deputy Attorney General*

**SHARON S. MERRIWEATHER**  
*Deputy Attorney General*

**ZENITA WICKHAM HURLEY**  
*Deputy Attorney General*



**CHRISTIAN E. BARRERA**  
*Chief of Staff*

**PETER V. BERNS**  
*General Counsel*

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**

**ANTHONY G. BROWN**  
*Attorney General*

January 29, 2026

To: The Honorable Pamela Beidle  
Chair, Senate Finance Committee

From: Leonard J. Howie  
Deputy Attorney General, Office of the Attorney General

Re: Senate Bill 94 – Commercial Law – Earned Wage Access – Revisions (SUPPORT WITH AMENDMENTS)

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The Office of the Attorney General (“OAG”) supports, with amendments, Senate Bill 94, introduced by the Office of Financial Regulation (“OFR”) within the Maryland Department of Labor. Senate Bill 94 seeks to address concerns about recent Maryland law regarding earned wage access (“EWA”) that (i) authorized all Maryland lenders to solicit and accept “tips, gratuity and other donations” from consumers, and (ii) exempted EWA lenders from Maryland lending laws prohibiting false advertising and discrimination in lending on the basis of race, color, creed, national origin, sex, sexual orientation, gender identity, disability, marital status, or age.

The Earned Wage Access and Credit Modernization Act (“EWA Act”)(Chapter 847 (2025)), which became effective October 1, 2025 without the Governor’s signature, expressly excepted EWA lenders from a catalogue of legal protections for Maryland consumers absent any stated reason. These exceptions included consumer protections against false advertising and discrimination on the basis of race, gender, and other protected categories. Senate Bill 94 would reinstate the applicability of the antidiscrimination and false advertising prohibitions in Title 12 of the Commercial Law Article §§12-304, 305, and 316.1 to EWA lenders. This reasonable change is necessary to protect Maryland consumers.

The EWA Act also expressly authorized any lender in Maryland (not just EWA lenders) to solicit and charge a tip to consumers, in addition to other authorized fees and interest, a practice that is unnecessary, manipulative, and unfair. Lenders’ solicitation of tips implies that the funds go to individuals for providing a service or are somehow generous or altruistic. A tip to a lender, however, is just an additional finance charge to a company for profit; it is not a tip for good service

and does not go to individuals providing a service. Moreover, EWA lenders, for example, historically have used predatory tactics such as disabling services if borrowers do not tip, making it hard to avoid tipping in user interfaces, making it unclear whether the tip is optional, and misleadingly claiming or implying that tips or “donations” are used to help other consumers.<sup>1</sup> While the law currently requires a disclosure to consumers that “tips” are voluntary and optional nor do they impact lending determinations, in practice companies “deploy a host of techniques from behavioral economics to pressure users into tipping each time a loan is requested.”<sup>2</sup>

In addition to the two fixes discussed above, the OAG further urges that the Maryland General Assembly adopt amendments to Senate Bill 94 that would provide added consumer protections in EWA lending. The EWA Act legalized otherwise usurious payday lending in Maryland for the first time, overriding and reversing hundreds of years of Maryland law and court decisions banning the practice. As written, the EWA Act opens the door for unscrupulous EWA lenders to financially exploit their predominantly low wage consumers through predatory lending practices, with few consumer protections. While the EWA Act would benefit from a series of amendments, including those set forth in the proposed amendments accompanying the testimony on Senate Bill 94 from the Center for Responsible Lending (“CRL”), the OAG here will focus on the following simple and common-sense amendments to Senate Bill 94 that would help curtail potential predatory EWA lending practices.

**First**, Senate Bill 94 should require EWA lenders to monitor and prevent the practice commonly known as “stacking.” Stacking is when consumers borrow from multiple EWA lenders against the same earned but unpaid wages.<sup>3</sup> Stacking puts Maryland consumers at a high risk of borrowing more than they earn, and of incurring multiple fees and charges from multiple lenders, which can eat up a huge amount of a consumer’s paycheck. Research has shown that the trend of stacking increases the longer a consumer uses EWA products,<sup>4</sup> that EWA loans themselves cause cycles of debt for consumers, and that stacking exacerbates those debt cycles. The OAG thus suggests that Senate Bill 94 be amended to include language requiring EWA providers to implement measures to prevent stacking. Such an amendment could largely track Connecticut’s statute which prohibits EWA stacking.

**Second**, Senate Bill 94 should subject EWA lenders to a monthly cap per each consumer of amounts collected from all sources to curb predatory practices.<sup>5</sup> The main borrowers of EWA loans are often Marylanders with limited means, many of whom are caught in ruinous cycles of

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<sup>1</sup> See *Initial Statement of Reasons for the Proposed Adoption of Regulations*, STATE OF CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, at pgs. 61-62, available at <https://dfpi.ca.gov/wp-content/uploads/sites/337/2023/03/PRO-01-21-ISOR.pdf>.

<sup>2</sup> *Paying to be Paid: Consumer Protections Needed for Earned Wage Advances and Other Fintech Cash Advances*, CENTER FOR RESPONSIBLE LENDING (October 2025), at pg. 5-6 <https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-ewa-brief-payingpaid-oct2024.pdf>

<sup>3</sup> *Id.*

<sup>4</sup> *Escalating Debt: The Real Impact of Payday Loan Apps Sold as Earned Wage Advances (EWA)*, CENTER FOR RESPONSIBLE LENDING (October 2025), at pg. 5-6 <https://www.responsiblelending.org/research-publication/escalating-debt-real-impact-payday-loan-apps-sold-earned-wage-advances-ewa> (Upward trend of stacking over the course of time: 16% of users stacked lenders in their first month of use, 38% by month 4, and 42% by 12 months of use).

<sup>5</sup> CRL has proposed a \$10 fee cap.

debt. They take out EWA loans because they are frantic for money just a few days before their paycheck hits. In contrast, for lenders the EWA loans are very low risk, very low cost, and very profitable. Despite this, under Maryland law EWA lenders trying to maximize charges to consumers could intentionally set low transaction limits, forcing borrowers to take multiple loans and, as result, incur multiple fees over the course of a pay period. Moreover, EWA lenders, in addition to fees, can charge unlimited subscription fees for consumer access to lending products. Transaction fees and subscription charges can easily result in costs equivalent to loans with annual percentage rates of 300-400%, or more.<sup>6</sup> Other than deliberately deciding to allow predatory lenders to take extreme advantage of low-income Marylanders to maximize profits, there is no good reason to allow such predatory pricing. A monthly fee cap in conjunction with the transaction fee cap would help borrowers avoid debt cycles while permitting companies to collect reasonable yet still substantial fees.<sup>7</sup>

As Governor Moore aptly noted in his no veto letter dated May 20, 2025, the EWA Act “will need continued work to ensure that this access to capital is maintained while ensuring that predatory practices are unable to take root.” It is especially important to strengthen consumer protections in EWA lending and other proposed legislation in Maryland given the Trump Administration’s ongoing evisceration of federal consumer financial protections and the Consumer Financial Protection Bureau. Accordingly, for the reasons set forth, the Office of the Attorney General requests that the Senate Finance Committee give Senate Bill 94 a favorable report with the amendments discussed.

cc. Members, Senate Finance Committee

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<sup>6</sup> Notably, CRL also proposes the following two amendments that would directly help consumers: (i) stricter limitations on charges per transaction costs; and (ii) making it easier for consumer to access EWA lenders free option. Both of these amendments would help reign in the costs of EWA loans.

<sup>7</sup> Connecticut has adopted a monthly fee cap. *See* Connecticut Public Act No. 25-155.

**SB-94.pdf**

Uploaded by: James Torrence

Position: FWA



**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,

No Boundaries Coalition (NBC) is a resident-led advocacy organization and through training, education, and base building we deconstruct physical and imagined barriers in Central West Baltimore, thereby empowering residents to lead sustained community transformation. We envision a self-sufficient community with ample and equitably shared resources to enable our community to thrive on its own terms. With a small, but dedicated staff team, NBC works to unify and elevate outcomes for all who live, work, and worship in Central West Baltimore's Sandtown-Winchester, Druid Heights, Upton, Madison Park, Penn North, Reservoir Hill and Bolton Hill neighborhoods.

As drafted SB94 will eliminate the ability of these app-based payday lenders to steer individuals into tipping them for the 'service' of borrowing against their next paycheck.

These programs seemed to be geared toward communities with low skilled, low opportunity workers. Many of these workers live in the neighborhoods that we support. We are hoping that limitations can be placed.

We support strengthening SB94 with the following amendments that are needed to protect low-wage workers and struggling families from unaffordable credit.

- Limit the **total maximum monthly cost**, covering all loans and all costs (expedite fees, subscriptions, etc), to \$10 month.
- **Make it easier to exercise fee-free** options while ensuring the funds reach individuals in a timely manner.
- Limit repeat efforts to debit a bank account to collect.
- Make it simpler to cancel subscriptions or repay a loan.
- Require annual reports on costs, usage, and other information.

We ask that you include these amendments on the final bill. If amended as proposed above, we support SB94.

Best

*Nabeedah Azeez*, Deputy Director  
Nabeedah.azeez@noboundariescoalition.com

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*"deconstructing boundaries, building commUNITY"*

P.O. Box 12825, Baltimore, MD 21217 | 410-800-2452 | [www.noboundariescoalition.com](http://www.noboundariescoalition.com)

**SB94 EWA Revisions Econ Action FWA.docx.pdf**

Uploaded by: Marceline White

Position: FWA



**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,

Economic Action Maryland Fund appreciates the intent of SB94 to prohibit earned wage access providers from soliciting or accepting tips from participants who use these payday loan apps to borrow against their next paycheck. We thank OFR for their work on the legislation.

This prohibition will end the practice of steering struggling workers to pay a corporation to borrow their own money. We support provisions in SB94 which ensure that the loans are not discriminatory and harmonize these payday loans with other federal and state consumer lending statutes.

However, as drafted, SB94 falls short of the protections needed to provide sufficient guardrails for Marylanders living paycheck to paycheck. Several studies have shown that individuals will borrow multiple times a month, accruing fees which deepen their debt, leading to a vicious cycle of debt<sup>1</sup>. National research found over 90% of borrowers paid a fee to access their money sooner<sup>2</sup>. Under the current fee caps in Maryland law, paying a \$7.50 expedite fee on a \$100 loan is 90% APR, nearly triple the 33% Maryland state APR cap for personal loans under \$1,000.

Affordability is a term both chambers have highlighted as a priority this session as legislators seek to address the high costs of a number of essential goods and services. EWA loans are not affordable credit—they are, in fact, extremely expensive credit marketed to individuals who are struggling to make ends meet.

Further measures are required to protect everyday Marylanders from the worst aspects of these payday loans.

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<sup>1</sup><https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-developments-in-the-paycheck-advance-market/>

<sup>2</sup> ibid

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*



**Economic Action Maryland Fund supports the following amendments for SB94:**

**Limit costs**

- Limit the **total maximum monthly cost**, covering all loans and all costs (expedite fees, subscriptions, etc), to \$10 month.
- Limit the \$4 per transaction fee to one per week.
- Lower the per transaction fee **to \$2**.

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

- 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**.

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

- Prohibit lenders from debiting bank accounts or payrolls more than once.
- Provide a simple method to cancel subscriptions or repayment of the loan.

**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

**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

We welcome the opportunity to work with proponents to strengthen SB94 and expand needed safeguards around this high-cost loan product.

Best,

Marceline White  
Executive Director

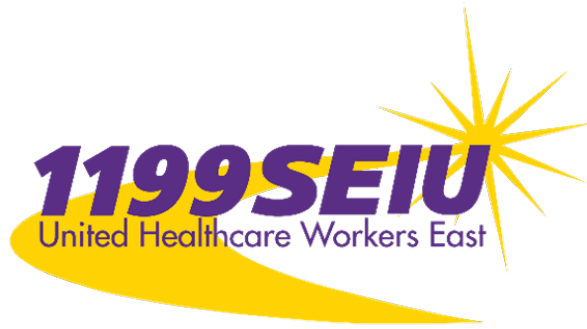
*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*

2209 Maryland Ave · Baltimore, MD 21218 | [www.econaction.org](http://www.econaction.org)  
Marceline White · [Marceline@EconAction.org](mailto:Marceline@EconAction.org) | Jennifer Bevan-Dangel · [Jennifer@EconAction.org](mailto:Jennifer@EconAction.org)

**sb94EWA.pdf**

Uploaded by: Ricarra Jones

Position: FWA



Testimony  
SB 94- **Commercial Law-Earned Wage Access-Revisions**  
**Position: FWA**

Madame Chair and Members of the Committee,

1199SEIU United Healthcare Workers East is the largest healthcare workers union in the nation, with over 10,000 members in the Maryland/DC region.

We support strengthening SB94 with the following amendments that are needed to protect low-wage workers and struggling families from unaffordable credit.

- Limit the **total maximum monthly cost**, covering all loans and all costs (expedite fees, subscriptions, etc), to \$10 month.
- **Make it easier to exercise fee-free** options while ensuring the funds reach individuals in a timely manner.
- Limit repeat efforts to debit a bank account to collect.
- Make it simpler to cancel subscriptions or repay a loan.
- Require annual reports on costs, usage, and other information.

We ask that you include these amendments on the final bill. If amended as proposed above, we support SB94.

Thank you,

Ricarra Jones

1199SEIU

Political Director

# **SB 94- Commercial Law - Earned Wage Access - Revis**

Uploaded by: Robin McKinney

Position: FWA



**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.

	<b>HB 1294 (Current Law)</b>	<b>SB 94 (Proposed Changes)</b>	<b>Proposed Amendments (Additional Changes)</b>
<b>Tips</b>	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
<b>Monthly cost caps</b>	No total monthly cap; only per-advance limits	No new monthly cap	Total max \$10/month across all loans & costs
<b>Per-transaction fees</b>	\$5 (≤\$75) or \$7.50 (>\$75) per advance (§12-1505)	Keeps current law structure	\$2 max per transaction; 1 per week limit
<b>Free (no-fee) option</b>	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
<b>Repeat debit attempts</b>	Must reimburse NSF/OD fees caused by provider; EFTA compliance (§12-1503(a)(11))	Same as current law	Only one debit attempt; simplify cancellation
<b>Cancel subscriptions/repayment</b>	Cancel anytime with no fee (§12-1503(a)(7))	Same as current law	Require simple, easily findable cancellation
<b>Loan stacking</b>	Not addressed	Not addressed	Must prevent advances if borrower already has one in same pay period
<b>Regulatory reporting</b>	Annual report to OFR starting 2026 (§12-1506)	No expansion beyond current law	Public annual reports on costs & repeat usage
<b>Exemptions from other lending laws</b>	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.**

# **SB0094 Written Testimony.pdf**

Uploaded by: Sean Russell

Position: FWA



Susan Francis  
*EXECUTIVE DIRECTOR*

**BOARD OF DIRECTORS**

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Sheila J. Stewart  
Emily J. Wilson

**SENATE FINANCE COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT WITH REVISIONS OF SB 0094: COMMERCIAL LAW EARNED  
WAGE ACCESS - REVISIONS  
THURSDAY, JANUARY 29, 2026**

Chair Beidle and distinguished members of the Committee, thank you for the opportunity to testify in support with revisions of Senate Bill 94.

My name is Sean Russell, and I am a Consumer and Housing Staff Attorney at Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS’ founding in 1981, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters.

MVLS assists Marylanders facing debt in several ways, including a weekly courthouse clinic in Baltimore City as well as representing Marylanders statewide with bankruptcy and other debt collection relief. Since 1999, we have assisted over 12,872 Marylanders to get consumer assistance and in an average year we assist more than 400 people facing debt collection at our courthouse clinic in Baltimore City. From the data collected, the average consumer seen at these clinics is an African American woman earning less than half the Maryland median income. She is in her early 40s, does not have a college degree, and she cares for at least one child or parent at home. For the reasons explained below, we respectfully request a favorable report with amendments to Senate Bill 94.

As drafted, Senate Bill 94 is an important step toward preventing app-based earned wage access (EWA) providers from operating as payday lenders, including steering workers into so-called “tips” to access their own earned wages. Recent statewide data shows that EWA products are used frequently and often habitually, with many users paying expedited fees and usage concentrated in lower-income communities, underscoring the need for stronger consumer protections. However, without stronger protections, EWA products can still trap low-wage workers in cycles of repeat borrowing, where each new advance is used in part to cover fees from the last. MVLS regularly sees the downstream effects of these practices, including missed rent, utility shutoffs, and increased risk of eviction and homelessness. These harms are not theoretical but are real and recurring for



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many Marylanders like Ms. T., a client from MLVS’ weekly court clinics, who, like many Marylanders, is trying to manage multiple debts. Ms. T came to our clinic because she was being sued by two different debt buyers. Ms. T.’s income is largely consumed by debt collection, leaving her with few options to meet basic expenses and no realistic path out of debt other than bankruptcy. A stronger Senate Bill 94 will directly assist Marylanders like Ms. T by placing more safeguards to prevent earned wage lenders from extorting low and moderate income consumers with unreasonable fees and interest.

MVLS has been fighting to level the playing field for low-income Marylanders for decades, and we know that poor Marylanders are the most vulnerable to predatory lending practices. For these reasons, MVLS supports Senate Bill 94 with amendments to strengthen consumer protections by providing necessary guardrails to protect low-wage workers and struggling families from unaffordable credit. We urge the Committee to cap the total monthly cost of EWA products at \$10, inclusive of all fees and subscriptions; ensure meaningful, timely access to fee-free options; limit repeated attempts to debit consumers’ bank accounts; simplify cancellation and repayment processes; and require annual public reporting on costs and usage.

Chair and members of the Committee, thank you again for the opportunity to testify.

# **MD Amendment Toplines w Statutory Language & Analy**

Uploaded by: Whitney Barkley- Denney

Position: FWA

## 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.”<sup>1</sup> 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.

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<sup>1</sup> **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](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."<sup>2</sup> 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**

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<sup>2</sup> **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](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 transactions<sup>3</sup> to make consumers more likely to pay fees for faster transactions. The significant majority of ACH payments settle in one business day or less<sup>4</sup> 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**

<sup>3</sup> 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](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'").

<sup>4</sup> 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.”<sup>5</sup> 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.

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<sup>5</sup> 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](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.

# **MD Testimony SB94.pdf**

Uploaded by: Whitney Barkley- Denney

Position: FWA

**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

# **National Sign On Letter Opposing HB1294 (1).pdf**

Uploaded by: Whitney Barkley- Denney

Position: FWA

April 24, 2025

Hon. Wes Moore, Governor  
State House  
100 State Circle  
Annapolis, MD 21401

Governor Moore,

We, the undersigned, are consumer protection organizations and attorneys asking that you **veto HB1294 Credit Regulation - Earned Wage Access and Credit Modernization.**

HB1294 creates a broad loophole in Maryland's 33% interest rate limit, opening Maryland up to debt trap payday advance loans that can exceed 300% annual percentage rate (APR), and allowing evasions that were rejected last year by the Consumer Financial Protection Bureau (CFPB). Gutting strong state consumer protection laws is especially troubling at a time when our federal protections are being decimated.

In the last few months our organizations have been at the front lines of the campaign to save the Consumer Financial Protection Bureau, the country's most important financial watchdog, and to prevent new forms of payday loans from taking root across the country. The CFPB, created after the devastating 2008 financial crisis, has worked to protect consumers and responsible industry players alike. The Bureau has worked to support a healthy, sustainable housing market, improve credit reports, crack down on junk fees, reduce the burdens of medical and student debt, fight lending discrimination, and promote safe banking practices and banking competition.

Among other work, last year the CFPB highlighted concerns about heavy repeat use and high APRs on payday advance apps and proposed an interpretive rule that clarifies that expedite fees and certain so-called "tips" are finance charges, which then makes them part of the APR for a loan.<sup>1</sup>

Since taking office on January 20th, the Trump administration has had the CFPB in its crosshairs, firing lawyers, decimating their resources, and stopping enforcement actions against financial predators. In this environment, it is more important than ever that states like Maryland stand firm to protect the pockets of its citizens.

Opening Maryland's historic 33% usury cap to Earned Wage Advance providers removes the last and best defense against predatory lending in the state. By signing HB 1294 into law, Maryland would be the first pro-consumer state to cede this important protection to the EWA industry. Maryland would be joining a group currently composed only of deeply conservative states and those that permit abusive payday loans. In contrast, the District of Columbia and, just this month, New York have sued these fintech lenders for violations of usury laws and unfair and deceptive practices, and Connecticut tightened up its laws to prevent evasions through tips and fees.

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<sup>1</sup> CFPB, Press Release, [CFPB Proposes Interpretive Rule to Ensure Workers Know the Costs and Fees of Paycheck Advance Products](#) (July 18, 2024).

Payday advance apps in Maryland already trap borrowers in debt. Data from CRL's collaboration with SaverLife, a savings app and research firm, shows that overdrafts increased for 73% of Maryland payday advance app users who struggled with overdrafts, with the average number of overdrafts more than doubling. The data also show that one-in-four Maryland borrowers take out at least 25 of these loans per year.<sup>2</sup> And, just as with traditional payday lending, the heaviest borrowers drive the business. Maryland borrowers with at least six advances in one month account for about 80% of all advances.<sup>3</sup>

Further, Maryland borrowers take money from more than one payday advance app at a time. In the Saverlife data, CRL found that a quarter of Maryland workers who use this product use three or more apps at a time, and nearly 50% use at least two apps at a time.

This type of repeat re-borrowing and stacking is typical of payday loan-style lending. While amendments were drafted to address these issues, they were never heard in committee or on the floor. The flaws in HB 1294 are all more apparent in light of the recent New York lawsuit showing how fintech payday lenders' manipulate borrowers to multiply fees, leading one borrower to **take out more than 450 loans, paying out nearly \$1400 in fees.**<sup>4</sup>

HB 1294 represents a serious retreat from the type of consumer protection that has defined Maryland consumer law for a century. In an era when the financial livelihoods of the most vulnerable consumers are being attacked at the federal level, states like Maryland must stand in the way of eroding consumer protections. **We respectfully ask that you veto HB 1294 and return Maryland to state that stands up for working Marylanders against companies who want to profit off their financial distress.**

Thank you for your time and attention to this matter,

#### **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

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<sup>2</sup> Maryland Fact Sheet, updated Oct. 2024: [ewa-states-md-oct2024.pdf](#)

<sup>3</sup> Id.

<sup>4</sup> New York Attorney General, Press Release, [Attorney General James Sues Payday Lending Companies for Exploiting Workers with Illegal Loans](#) (April 14, 2025)

**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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Claire Mooney

**State Groups***Arizona*

Center for Economic Integrity  
William E. Morris Institute for Justice  
Wildfire

*Colorado*

Bell Policy Center

*Connecticut*

Connecticut AFL-CIO  
Connecticut Citizen Action Group (CCAG)  
Connecticut Legal Services, Inc.

*District of Columbia*

Helping Ourselves to Transform  
Tzedek DC

*Georgia*  
Georgia Watch

*Maine*  
Maine Center for Economic Policy

*Michigan*  
Community Economic Development Association of Michigan (CEDAM)

*Michigan*  
Legal Services Advocacy Project (Minnesota)  
Minnesotans for Fair Lending (a project of Exodus Lending)

*New York*  
Action for a Better Community (ABC)  
New Economy Project  
New Yorkers for Responsible Lending

*North Carolina*  
North Carolina Justice Center

*South Carolina*  
South Carolina Fair Lending Alliance

*Oregon*  
Oregon Consumer Justice

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Portia Wu, Secretary of Labor [portia.wu@maryland.gov](mailto:portia.wu@maryland.gov)  
Antonio Salazar, Commissioner of Financial Regulation [tony.salazar@maryland.gov](mailto:tony.salazar@maryland.gov)  
Andrew Fulginiti, Director of Legislative and Regulatory Affairs [andrew.fulginiti@maryland.gov](mailto:andrew.fulginiti@maryland.gov)

# **SB94\_AFC\_UNF**

Uploaded by: Ashley Urisman

Position: UNF



January 28, 2026

Senator Pamela Beidle  
Chair  
Maryland Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

Re: Opposition to Senate Bill 94

Dear Chair Beidle,

On behalf of the American Fintech Council (AFC), we are writing to urge you and your committee to reject Senate Bill 94 (SB 94). AFC is the premier trade association representing the largest financial technology (Fintech) companies, including the largest number of Earned Wage Access (EWA) providers. Our mission is to promote a transparent, inclusive, and customer-centric financial system by supporting responsible innovation in financial services and encouraging sound public policy.

In October of last year, House Bill 1294 (the “EWA Law”) took effect, creating the first and only formal regulatory framework for EWA in the State of Maryland. Prior to the passage of the EWA Law, Maryland did not have a formal framework with which the Maryland Office of Financial Regulation (OFR) could regulate EWA products or their providers. Only through the collaboration and dedicated work of Maryland legislators, OFR leaders, industry, and consumer advocates, was the EWA Law able to pass in a manner that ensured responsible EWA providers could operate in the state, OFR maintained prudent oversight, and that EWA users received proper protections.

The role of OFR is to administer the laws promulgated by the Maryland General Assembly in the manner that body intended. While OFR has broad discretion on how to administer such laws and regulate covered industries, it must act in a way that ensures responsible providers seeking to abide by the provisions of the law are able to do so practically and efficiently. Since the EWA Law took effect on October 1, 2025 OFR continues to process EWA providers’ license applications. To date, only three AFC members, of the 20 EWA providers our association represents, have received their licenses. Unfortunately, as it has been explained to us by our members, OFR has eschewed good-faith efforts by responsible providers to obtain the appropriate licenses to operate in the State. We have also heard from our members that OFR may be engaging in investigatory activities that portend a pursuit of legally tenuous enforcement actions.

Based on these facts, it is clear that, the EWA Law has yet to be executed fully by OFR. Particularly, OFR has not yet met its statutory responsibilities, in that the industry is not receiving the legally mandated oversight established by the existing EWA Law.

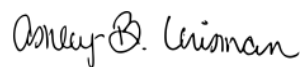
It is with this context in mind that we express our opposition in advancing SB 94. Passing SB 94 would only add additional complexity to implementing the EWA Law before OFR has even properly implemented the existing statute. Reengaging on the issue of EWA when the existing regulatory framework has not been fully implemented seems incongruent with the legislative intent and efforts put forward by this committee to pass the EWA Law. We therefore humbly ask that your committee reject SB 94, and instead work with OFR to ensure that they fulfill their existing statutory obligations in administering the legislature's intent within the EWA Law, namely the proper oversight of the responsible EWA providers who have applied for licensure.

The pragmatic policymaking pursued by the Maryland Legislature just last session was constructed to provide adequate methods with which to determine if any amendments to the EWA Law would be necessary. Once fully and correctly implemented, the EWA law gives OFR discretion to collect information from the providers it has licensed. Only once data from properly licensed providers has been collected and analyzed can it be reasonably determined if the EWA law needs to be adjusted. To pursue legislation that would reopen the provisions of the EWA Law does not give adequate respect to the thoughtful policy mechanisms put in place just months prior to the introduction of SB 94.

We remain committed to working with you, other legislative leaders, and OFR to clearly and appropriately execute the established regulatory framework for Earned Wage Access in Maryland. As we have for so many years, we are committed to transparent collaboration to ensure Maryland families has the safe and affordable financial options they deserve.

We welcome the opportunity to discuss this matter further.

Sincerely,

Handwritten signature of Ashley B. Urisman in cursive script.

Ashley B. Urisman  
Director of State Government Affairs  
American Fintech Council

# **Chamber of Progress\_MD SB 94\_Oppose.pdf**

Uploaded by: Max Raymond

Position: UNF



January 29, 2026

The Honorable Pamela Beidle  
Chair  
Senate Finance Committee  
Room 3E, Miller Senate Office Building  
11 Bladen Street  
Annapolis, Md 21401

**RE: Oppose SB 94 – "Commercial Law – Earned Wage Access – Revisions"**

Dear Chair Beidle, Vice Chair Hayes, and members of the Committee:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a society in which all people benefit from technological advances – **I respectfully urge you to oppose SB 94.** By categorically banning voluntary tipping and imposing misaligned consumer loan requirements on earned wage access (EWA) providers, this bill would undermine Maryland's recently enacted EWA framework without providing meaningful additional consumer protection. These changes risk reducing access to EWA services for the Maryland workers who rely on them most.

**Maryland's existing EWA framework already addresses tip-related concerns comprehensively**

Less than a year ago, Maryland enacted House Bill 1294, establishing one of the nation's most comprehensive regulatory frameworks for earned wage access.<sup>1</sup> The law, which took effect October 1, 2025, caps fees at \$5 for smaller advances and \$7.50 for larger ones, requires providers to offer at least one no-cost option, prohibits interest and late fees, bars credit checks and credit reporting, and ensures EWA transactions are non-recourse, meaning providers cannot pursue collection through litigation, third parties, or debt sales.<sup>2</sup> All providers must be licensed under the Office of Financial Regulation and submit annual reports beginning in July 2026.

The centerpiece of SB 94 is a categorical ban on voluntary tipping. But Maryland's existing framework already addresses concerns about tips through targeted safeguards.

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<sup>1</sup> "Maryland enacts Earned Wage Access legislation." *Consumer Finance Monitor*, Jun. 4, 2025.  
<https://www.consumerfinancemonitor.com/2025/06/04/maryland-enacts-earned-wage-access-legislation/>  
<sup>2</sup> *Ibid.*

Current law requires that any provider soliciting tips must set the default amount at zero, ensuring consumers are never nudged toward tipping.<sup>3</sup> Providers must clearly and conspicuously disclose that tips are optional and voluntary immediately prior to each transaction.<sup>4</sup> The law explicitly prohibits conditioning a consumer's ability to obtain EWA on their willingness to pay a tip.<sup>5</sup>

Consumers in Maryland already see a default tip of zero, understand tips are optional, know tipping will not affect their service, and can receive a full refund. These provisions ensure that tips under Maryland's current framework are genuinely voluntary, fully transparent, and completely refundable. SB 94's tipping ban is a solution in search of a problem. It eliminates consumer choice without providing additional consumer benefits.

### **A complete tipping ban could reduce EWA access for Maryland workers**

Voluntary tipping is a consumer-driven revenue model that allows providers to offer free or low-cost base services. When consumers choose to tip – with full transparency and a default of zero – they are expressing satisfaction with a service that helped them avoid overdraft fees, pay a bill on time, or cover an emergency expense.

Without tip revenue, providers face difficult choices: they may shift to mandatory subscription fees, increasing costs for *all* users including those who currently access EWA at no cost, they may reduce service availability in Maryland, or they may exit the Maryland market entirely. Any of these outcomes would leave Maryland workers with fewer options for managing financial gaps. Chamber of Progress supports strong consumer protections, but SB 94 goes beyond protection into restrictions that may harm the workers it intends to help.

### **Studies show that EWA frameworks are understood by and benefit consumers**

Independent research on EWA users finds that accessed wages go mainly toward rent, utilities, fuel, prescriptions, auto repair, and credit card payments, with no increase in discretionary spending. That same research reports **no evidence of increased overdraft fees, interest charges, or other bank fees**, reinforcing that EWA functions as a critical income stabilizer.<sup>6</sup>

Further data points illustrate that EWA is used for necessities, not splurges: survey findings indicate the most common uses are paying bills on time, buying groceries, and

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<sup>3</sup> Md. Code, Com. Law § 12-1503(a)(9)(i) (2025).

<sup>4</sup> Md. Code, Com. Law § 12-1503(a)(9)(iii) (2025).

<sup>5</sup> Md. Code, Com. Law § 12-1504(2) (2025) .

<sup>6</sup> Jonathan M.V. Davis. *The Impacts of Earned Wage Access: How Giving Workers More Control Over Pay Timing Can Increase Income and Boost Financial Stability*. Nov., 2025.

[https://assets.ctfassets.net/9bmss1jcvj9u/5EJKZ88JUrOs3pDQHmoIs9/Of27191ba836ae29c0ae7a453e2821b2/Davis\\_Impacts\\_of\\_Earned\\_Wage\\_Access\\_2025\\_Final.pdf](https://assets.ctfassets.net/9bmss1jcvj9u/5EJKZ88JUrOs3pDQHmoIs9/Of27191ba836ae29c0ae7a453e2821b2/Davis_Impacts_of_Earned_Wage_Access_2025_Final.pdf)

avoiding late or overdraft fees.<sup>7</sup> Earned wage access helps ease this pressure by giving workers earlier access to wages they have *already earned*, so a short-term cash crunch does not cascade into missed payments, overdrafts, or high-cost credit.

Consumers report that they understand these products and choose them over alternatives. More than 9 in 10 users say they understand the service structure and associated fees, and a strong majority consider EWA superior to other financial products they weighed for short-term cash needs.<sup>8</sup> 80% of users report their lives have significantly improved since adopting these services.<sup>9</sup>

### **Applying consumer loan requirements to EWA creates regulatory confusion**

SB 94 also removes EWA providers' exemption from certain consumer loan provisions, specifically §§ 12-304, 12-305, and 12-316.1 of Maryland's Commercial Law Article.<sup>10</sup> But current Maryland law explicitly treats EWA differently from loans. Earned wage access providers are exempt from state laws governing lending, credit, or debt.<sup>11</sup>

Applying consumer loan requirements to a service that is explicitly exempt from lending laws creates a contradictory regulatory framework. Providers would need to comply with requirements designed for credit products even though EWA involves no lending, no interest, and no debt obligation. This regulatory uncertainty increases compliance costs, may discourage providers from operating in Maryland, and could reduce competition and consumer choice.

For these reasons, **we respectfully urge you to oppose SB 94**. While the bill's intent to strengthen consumer protection is well-meaning, Maryland's existing EWA framework already provides comprehensive safeguards, including robust protections around voluntary tipping. SB 94's categorical tipping ban and consumer loan carve-outs go beyond what is necessary and risk reducing access to earned wage access services for the Maryland workers who benefit from them.

Sincerely,



Brianna January  
Director of State & Local Government Relations, Northeast US

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<sup>7</sup> FTI Consulting. Direct to Consumer Earned Wage Access User Survey Key Findings. Jul. 7, 2021. <https://www.earnin.com/assets/pdf/FTI-Earned-wage-access-memo.pdf>

<sup>8</sup> FTI Consulting, 2021.

<sup>9</sup> *Ibid.*

<sup>10</sup> SB 94, Section 1, amending Md. Code, Com. Law § 12-1502(c).

<sup>11</sup> Md. Code, Com. Law § 12-1502(c)-(d) (2025).

**Roger Manno Testimony OBO Payactiv\_SB94\_01.27.26.p**

Uploaded by: Roger Manno

Position: UNF



**Date:** January 27, 2026

**Hearing:** Maryland Senate Committee on Finance

**Re:** SB 0094 - Commercial Law - Earned Wage Access - Revisions

Dear Chair Beidle and Honorable Members of Senate Committee on Finance:

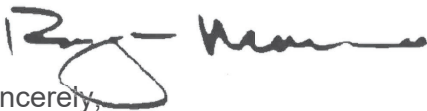
Thank you for your consideration of SB 0094, and for your leadership on legislation to improve the financial security of hard-working Marylanders.

Payactiv is a leading employer-integrated earned wage access (EWA) provider that partners with employers to enable their employees to access their own, already earned wages when they need it – rather than having to wait for payday. Payactiv integrates into an employer's time and attendance payroll system and verifies wages from payroll, time and attendance, and census file data. Payactiv has been providing EWA services to Maryland workers for over 10 years and is proud to be a Public Benefit Corporation and Certified B Corp.

Payactiv appreciates the extensive engagement from numerous stakeholders over the past few years on EWA regulation, which culminated in the enactment of HB 1294 to create a licensure and oversight framework for EWA providers.

Payactiv is concerned that SB 0094 erodes the clarity created by the law enacted just last session, and unnecessarily reopens a licensure to regulate EWA providers when many EWA providers are still not yet licensed.

We respectfully request an unfavorable report.

A handwritten signature in black ink, appearing to read "Roger Manno". The signature is written in a cursive style with a large, looped initial "R".

Sincerely,

Roger Manno on Behalf of Payactiv

# **Brigit Senate Finance Testimony 1\_29\_26.pdf**

Uploaded by: Tara Rider

Position: UNF

January 29, 2026

TO: Senate Finance Committee

FROM: Tara Rider  
Brigit  
36 W 20th Street  
New York, New York 10011

RE: Senate Bill 0094: Oppose

Chairwoman Beidle, Vice Chair Hayes and members of the committee,

My name is Tara Rider and I am the Vice President of Policy and Government Relations at Brigit, a financial wellness company that offers direct to consumer, earned wage access (“EWA”) to over 130,000 consumers in Maryland at an average of \$75.00 per transaction. As you know, earned wage access is a financial lifeline that so many Maryland residents rely on.

Over the last two plus years, myself and industry colleagues have had robust and open conversations with the legislature, the Office of Financial Regulation, consumer advocates, and most importantly our customers to develop a framework for providers to operate under. As a result, Chapter 847 was created and went into effect just a few short months ago. Chapter 847 establishes consumer protections, a licensing requirement for providers as well as a first in the nation fee cap for delivery fees. I am so proud of the hard work that was done to protect Maryland consumers.

We appreciate the time and efforts that both the Senate Finance Committee and House Economic Matters Committee have spent working with stakeholders on this important issue over the last two plus years. Amending the bill further may potentially create more confusion as part of the licensing process and put new requirements on providers who are still awaiting licensure under the current framework. I ask that providers are given a fair opportunity to gain their licensure first before any amendments are made that may impact operations; should any issues arise, we continue an open dialogue with all interested parties to determine the best path forward as we have done for the last two years.

Thank you again for your efforts on creating a responsible framework for earned wage access providers to be licensed under. I urge you to not take any further action on a new law where many providers are still awaiting licensure.

Sincerely,

Tara Rider  
Vice President, Policy and Government Relations