



Maine Credit Union League

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Neither For Nor Against

LD 1915: An Act to Regulate Earned Wage Access Service Providers

Committee on Health Coverage, Insurance and Financial Services

May 20, 2025

Good Afternoon, Senator Bailey, Representative Mathieson, and distinguished members of the Committee on Health Coverage, Insurance and Financial Services,

My name is Krista Simonis and I am the Director of Governmental Affairs at the Maine Credit Union League. The Maine Credit Union League is the trade association for Maine's 48 credit unions and over 750,000 members statewide. We respectfully submit the following testimony **neither for nor against LD 1915**.

Earned wage access products offer consumers an advance on their pay in exchange for a service fee. Many providers also offer the option for consumers to "tip" the company as well. These products are functionally loans, and the Consumer Financial Protection Bureau (CFPB) was proposing a rule last July to regulate them as such, but it has not moved past the proposal stage. Many states have passed legislation like LD 1915 to regulate these products as something other than loans, meaning they are not subject to Truth in Lending Act disclosure requirements or interest rate caps that loans by Maine chartered institutions are subject to.

We appreciate that LD 1915 provides some regulation for these products, preventing late fees and interest and the reporting of debt to collection agencies. However, these are essentially a form of payday loans. A report from the CFPB noted that the average worker had 27 earned wage transactions per year. The typical Annual Percentage Rate for these products is 109.5%.¹ This far exceeds the APR offered by Maine's credit unions for personal loans that can help cover emergency expenses. The typical rate for an unsecured loan for a Maine credit union is 10.75%, and 12.12% for banks in Maine.²

As part of their dedication to the cooperative principles, credit unions are dedicated to building the autonomy and independence of their members by pairing access to credit with financial education. We recognize that low-income Mainers need access to credit, and these earned wage access products might be a way to expand access to credit to those who do not qualify with their financial institution.

However, these could be products that take advantage of consumers in desperate situations, so we would urge the committee to carefully consider if the regulatory framework in LD 1915 is enough to offset any potential harms that may result from the implementation of these tools.

¹ [Data Spotlight: Developments in the Paycheck Advance Market | Consumer Financial Protection Bureau](#)

² [The Credit Union Impact Dashboard | America's Credit Unions](#)

Thank you for considering our testimony.