



Maine State Legislature
Joint Committee On Health Coverage, Insurance and Financial Services
Cross Building, Room 220
210 State Street
Augusta, Maine 04330

Re: Payactiv Support for LD 1915

Dear Chair Bailey, Chair Mathieson, and Honorable Members of the Committee:

Thank you for considering LD 1915 and for your leadership in promoting the financial wellness of Mainers. On behalf of Payactiv, I am writing to express our strong support for LD 1915, *An Act to Regulate Earned Wage Access Services Providers*. This bill creates important consumer protections for earned wage access (EWA), while also creating guardrails around which the industry can continue to innovate and grow.

Payactiv is a leading employer-integrated EWA provider that partners with businesses to enable employees to access their own, already-earned wages when they need them – rather than waiting for their next payday. Payactiv uses verified time and attendance and payroll data from the employer to calculate an employee's earnings during a given pay period. EWA transactions do not involve interest, late fees, or penalties; no debt is created; transactions are fully non-recourse and a user can cancel at any time; and there is no credit check or reporting, so even users with low or poor credit can participate. Payactiv offers five free options for users to access their wages and one voluntary paid option with a flat fee of \$3.49 for expedited delivery.

In recent years, the cost of living and inflation have skyrocketed, leaving nearly a quarter of Americans living paycheck-to-paycheck and over 40% without \$400 in savings to cover an emergency expense. EWA is a highly valuable financial tool for the thousands of Mainers who struggle to bridge the gap between paydays. It is a responsible, safe alternative to other high-debt products, such as online payday loans, overdraft fees, credit card debt, or pawn loans.

Payactiv supports a regulatory framework that ensures EWA providers operate under consistent standards and uphold strong consumer protections. LD 1915 includes several key safeguards, such as:

- Requiring EWA providers to provide at least one free option;
- Capping transaction fees at \$7;
- Banning late fees, penalties, or interest;
- Ensuring EWA remains non-recourse and can be canceled by the user at any time; and
- Prohibiting the use of credit scores or credit reporting to ensure that EWA remains a credit-neutral product.

Payactiv is proud of its commitment to the financial wellness of Maine workers. We thank you for your leadership on this issue and kindly ask for an ought-to-pass report.

Sincerely,

Mark Salters
Public Policy Manager, Payactiv