



May 20, 2025

The Honorable Donna Bailey
Chair, Joint Standing Committee on Health Coverage, Insurance, and Financial Services
Room 220, Cross Building
Augusta, ME 04333

Re: Please Support LD 1915 and Earned Wage Access

Dear Chair Bailey and members of the Committee:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to urge you to support LD 1915.

We are strong supporters of providing consumers with better alternatives to predatory lending and junk fees at banks. Earned wage and early wage access services help workers bridge the gap from today to payday, and free workers from dependency on the payroll cycle and a financial system that frequently disadvantages them.

Earned wage access operates on an agreement between the service provider and an employer, which allows the provider access to employee timesheets to determine earned wages.¹ On an employee's payday, the provider collects funds from the employer that were disbursed to the employee ahead of payday.

Early wage access is a similar concept, except the service provider does business directly with the consumer, without direct involvement from the employer. In this instance, the consumer downloads an application, establishes an account with the service provider, and links their checking account information.

In both setups, the earned wage access provider allows users to access anywhere between 50-100% of their earned wages at any given time, with limits sometimes placed by the provider based on frequency and consecutive use.²

Earned Wage Access Promotes Consumer Choice

¹ *Ask the Fed: Exploring the Rise of Earned Wage Access Programs*, The Federal Reserve Bank of Kansas City (Jan. 2021). <https://www.kansascityfed.org/ten/2021-winter-ten-magazine/ask-the-fed-exploring-rise-of-earned-wage-access-programs/>

² *Id.*

Based on a survey conducted by three direct to consumer earned wage access service providers, an overwhelming number of earned wage access consumers said they understood how the service structure works and consider it the best option to manage their spending.³ Earned wage access provides consumers the opportunity to stretch their dollar farther than the standard two-week pay cycle, enabling them to avoid predatory payday loans.

Consumers overwhelmingly use earned wage access services to pay bills on time, buy groceries and avoid late fees.⁴ Notably, 8 out of 10 earned wage access consumers felt these services were the best available options to manage their spending, and 80% of users said that their life significantly improved after using these services.⁵ Earned wage access gives consumers a safer alternative to paying bills late and getting charged bank overdraft fees that can cause a further decline into debt.

In this post-COVID, inflationary economy, the usage of earned wage access has increased across the board. From 2018 until now, these services tripled in usage in response to consumers adapting to a financial environment where they are empowered to spend without a lack of liquidity.⁶ In fact:

- 82% of hourly workers whose employer offers earned wage access services say it is one of their favorite benefits.⁷
- 72% of earned wage access service users say the offering helps them feel more confident in managing their finances.⁸
- 95% of companies offering an earned wage access solution believe it has a positive impact on employee retention.⁹
- 77% of earned wage access users state that the services help them save money by avoiding other more expensive alternatives to handle expenses.¹⁰

Additionally, the continued development of financial technology will lead to new earned wage access business models. If strict regulation is crafted around a preferred model,

³ *Earned Wage Access: A Framework for Financial Inclusion*, Earnin (July 2021).

<https://www.earnin.com/assets/pdf/FTI-Earned-wage-access-memo.pdf>

⁴ *Id.*

⁵ *Id.*

⁶ *Earned Wage Access: Direct-to-Consumer Advances– Trends and Insights*, Center for Financial Services Innovation (April 2021).

https://cfsi-innovation-files-2018.s3.amazonaws.com/wp-content/uploads/2021/04/26190749/EWA_D2C_Advance-age_Trends_FINAL.pdf

⁷ The Harris Poll. [Nearly 3 in 4 Hourly Workers Love/Like Their Job](#). March 20, 2024.

⁸ Arizent Research. [Earned Wage Access: A Powerful, Cost-Effective Financial Wellness Tool](#). September 2023.

⁹ Hanover Research Study. *Companies with EWA Solutions*. September 2023.

¹⁰ Mercator Advisory Group. [Customer Perceived Cost Savings](#). August 2022.

this may hinder innovation in this space and leave consumers with limited options.

Families working paycheck to paycheck are currently beholden to the 2-4 week pay cycle, trapped in a system that does not account for real life factors that cannot wait for payday. With the right regulatory framework outlined in this bill, earned wage access has an opportunity to make a greater impact by providing a service that meets the consumer where they are.

Like many other innovations in services, consumer choice with earned wage access will allow workers to choose the service that is best for them and their budget.

Earned Wage Access products are not credit and allows for financial inclusion

Unlike traditional credit products that may affect a user's credit score through payment history and credit utilization, earned wage access services do not involve lending-related activities such as pulling credit reports, underwriting, assessing fees based on creditworthiness, charging interest, or imposing origination fees.

Earned wage access providers earn revenue through expedited transfer fees, tips, or subscription fees. These fees are typically not required or imposed for a transaction to proceed. On the contrary, consumers opt in voluntarily to receive a premium service.¹¹

Earned Wage Access complies with federal laws

Earned wage access providers already comply with extensive federal consumer protection and disclosure laws, including the Gramm-Leach-Bliley Act,¹² Electronic Signatures in Global and National Commerce Act,¹³ and Electronic Funds Transfer Act.¹⁴

These laws ensure that providers protect consumer financial data, obtain valid consent for digital transactions, and facilitate secure, transparent fund transfers. In addition, earned wage access providers are subject to federal prohibitions against unfair, deceptive, or abusive acts or practices (UDAAP) under the Consumer Financial Protection Act, and many adhere to best practices that further enhance consumer safeguards.¹⁵

By establishing a clear state framework, LD 1915 reinforces these existing protections while preserving access to low-cost, non-credit financial tools that help working families avoid more expensive alternatives like overdraft fees or payday loans.

¹¹ Frequently Asked Questions, Earnin. <https://www.earnin.com/faqs>

¹² Gramm-Leach-Bliley Act, Federal Trade Commission. <https://www.ftc.gov/business-guidance/privacy-security/gramm-leach-bliley-act>

¹³ X.3.1: Privacy of Consumer Financial Information, Federal Deposit Insurance Corporation (Jan. 2014). <https://www.fdic.gov/resources/supervision-and-examinations/consumer-compliance-examination-manual/documents/10/x-3-1.pdf>

¹⁴ Attachment to SR 08-7: Guidance on Supervisory Expectations for the Privacy of Consumer Financial Information, Federal Reserve System. https://www.federalreserve.gov/boarddocs/caletters/2008/0807/08-07_attachment.pdf

¹⁵ US Code. [12 USC 5531: Prohibiting unfair, deceptive, or abusive acts or practices.](#)

Thank you for your leadership in promoting responsible policymaking for earned wage access with LD 1915. This bill will help ensure that Maine consumers, businesses, and the broader economy will thrive in the emerging fintech economy.

With this in mind, **we urge you to pass LD 1915.**

A handwritten signature in black ink, appearing to read "B. January". The signature is stylized with a large, looped initial "B" and a cursive "January".

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