



Center for Responsible Lending

Testimony in opposition to LD 1950, An Act to Regulate Earned Wage Access Services Providers

Whitney Barkley Denney

Center for Responsible Lending

Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee On Health Coverage, Insurance and Financial Services, thank you for the opportunity to submit these comments in opposition to LD 1950, An Act to Regulate Earned Wage Access Services Providers

My name is Whitney Barkley-Denney, and I am Deputy Director of State Policy with the Center for Responsible Lending (CRL), a national consumer protection non-profit. CRL works to ensure a fair, inclusive financial marketplace that creates opportunities for all families and individuals, regardless of their income.

I'm here today to testify against LD 1950 and, most importantly, to provide some context to how other states have addressed Earned Wage Advance (EWA) bills.

Across the country, states have been responding to these bills in a myriad of ways. Some states have simply allowed the Earned Wage lenders to pass the first version of the bill they shopped. That bill, a product of the American Legislative Exchange, has virtually no effective consumer protections, no caps on costs, and little oversight.

Others, like Connecticut, are negotiating bills with far more protections than this one. While still being discussed, that bill has lower caps on instant transfer fees and those caps may include tips.

Maryland also passed a bill with more protections than LD 1950. While not a model for several reasons – in that state, the industry exempted themselves from civil rights statutes in the small dollar loan act - that bill acknowledged that this product is a loan, capped fees on loans under \$75 at \$5, and set tips at zero.

LD 1950, in its current form, is far less protective than what is being sold to other states just south of here.

That's concerning enough, but Center for Responsible Lending also has unique insight into some of the borrowers of this product.

Through our partnership with SaverLife, a non-profit app that promotes saving for low-to-moderate income people, we are able to see real-time transactions of Mainers who use these products. While there are only a handful of these borrowers in our system, the stories their accounts tell generally reflect the findings of CRL, California's Department of Financial Protection and Innovation, the attorneys general of New York and Washington DC, the Consumer Financial Protection Bureau and others.

We see that borrowers quickly fall into habits of borrowing and reborrowing and “stack” loans by borrowing from multiple lenders at a time.

The first Mainer works for a temp agency and receives payroll weekly. Her income varied week-to-week, with the median take-home paycheck being \$692.

In 2024, she used three different direct-to-consumer EWA apps concurrently, borrowing \$100 from one provider four times within the span of two months and \$50 from another six times during that same time period. At the same time, she also borrowed from yet another provider, which she had used multiple times a month since October 2023.

On April 22, 2024, between her two weekly paychecks, she borrowed a total of \$550 across three EWA apps, which was more than two thirds of her wages. These three loans were all taken on a single day.

The issue here, of course, is that she is pledging a portion of her paycheck over and over again to different companies, with no one checking to see if the money they are lending against is already pledged elsewhere.

The second Mainer works two jobs with household income between \$25-\$35k.

From May 2024 to May 2025, he took out 38 loans from one company - reborrowing more weeks than not. Remember that these are very small loans - half of the loans were \$85 and the other half \$100.

In the last two months, he also took out \$50 loans from another provider eight times, each time paying \$5 in fees, on top of subscription fees that increased from \$3.99 to \$4.99 a month.

CRL understands the desire to provide a product to Mainers who are struggling, but this bill does not offer the protections needed to ensure that users of these products will not engage in repeat reborrowing and stacking of loans. Maine has a long history of ensuring that consumers are protected from financial predation. In that tradition, we urge you to reject HP1276.

Thank you for your time today.

Whitney Barkley Denney
Deputy Director of State Policy
Center for Responsible Lending



Center for
Economic Integrity

Taking out an EarnIn
advance without a tip...



EARN \$25

Hi [REDACTED]
Happy Tuesday! 🐼

\$100⁰⁰

Available

View activity ➔

⚡ Transfer out up to \$100



Share EarnIn,
get \$25

Earn \$25 by referring a
friend—for a limited time.

Learn More ➔



Tips keep us running for millions of
members like you

Account activity



Repayment from [REDACTED]
Jul 26

\$100.00



Home



Account activity



Transfer



Share



Help



Tip message #2



The APR for this cash out is 0%. Your tips help
support us.



Tip to open your fortune cookie

Your optional tips keeps us running.

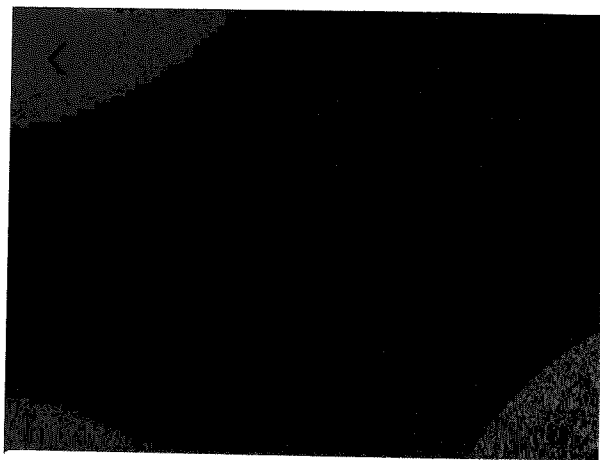
\$11.00



Transfer out + tip

Custom tip

Tip message #1



Ⓢ The APR for this cash out is 0%. Your tips help support us.

< Tip to open your fortune cookie

Your optional tips keeps us running.

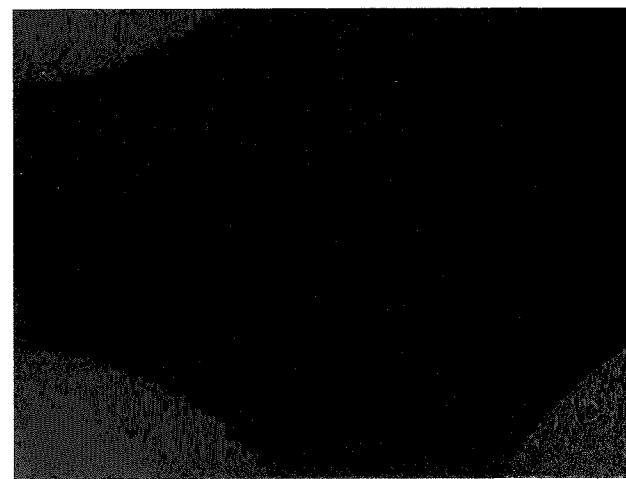
\$11.00



Transfer out + tip

Custom tip

Tip message #3



Ⓢ The APR for this cash out is 0%. Your tips help support us.

< Tip to open your fortune cookie

Your optional tips keeps us running.

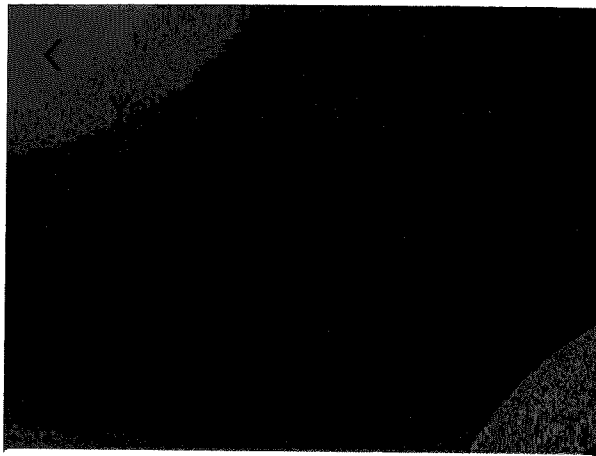
\$11.00



Transfer out + tip

Custom tip

Tip message #4

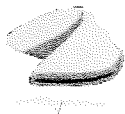


Ⓢ The APR for this cash out is 0%. Your tips help support us.

< Tip to open your fortune cookie

Your optional tips keeps us running.

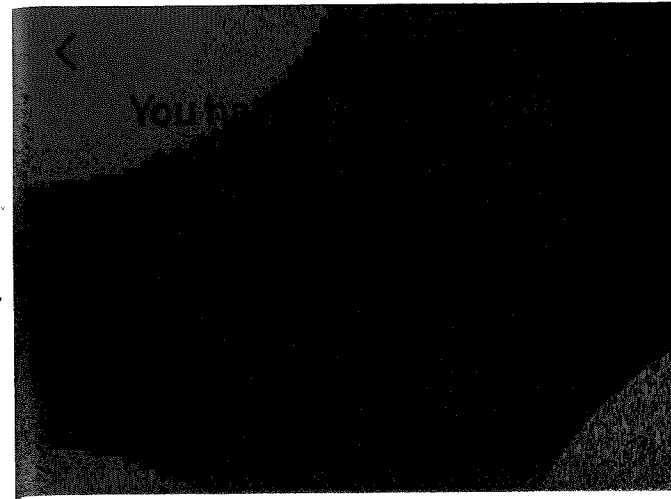
\$11.00



Transfer out + tip

Custom tip

Tip message #5



Ⓢ The APR for this cash out is 0%. Your tips help support us.

< Tip to open your fortune cookie

Your optional tips keeps us running.

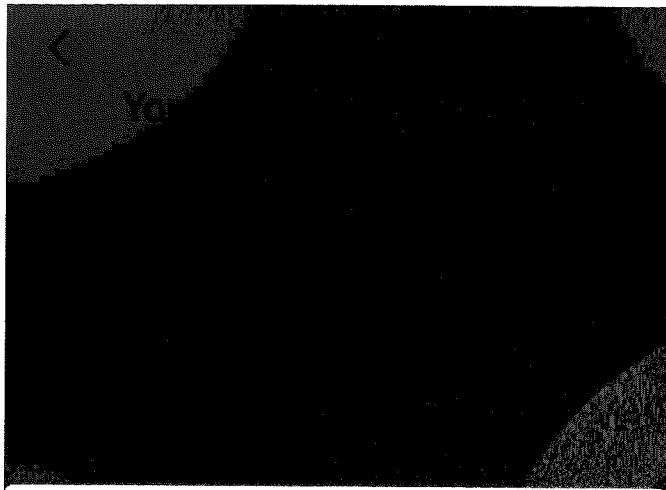
\$8.50



Tip message #6
(shrinking cookie)

Transfer out + tip

Custom tip



The APR for this cash out is 0%. Your tips help support us.



Tip to open your fortune cookie

Your optional tips keeps us running.

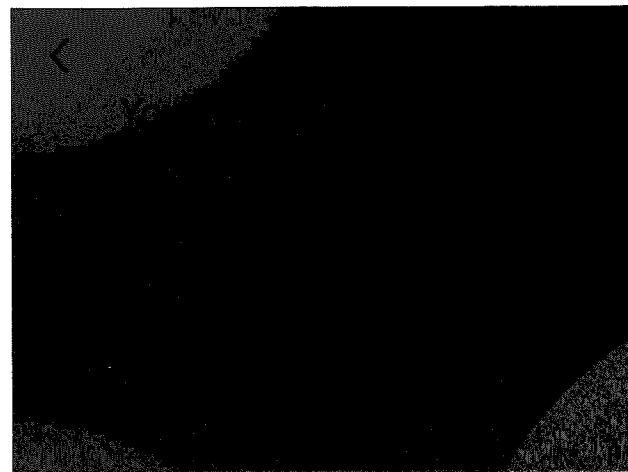
\$6.00



Shrinking cookie

Transfer out + tip

Custom tip



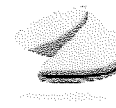
The APR for this cash out is 0%. Your tips help support us.



Tip to open your fortune cookie

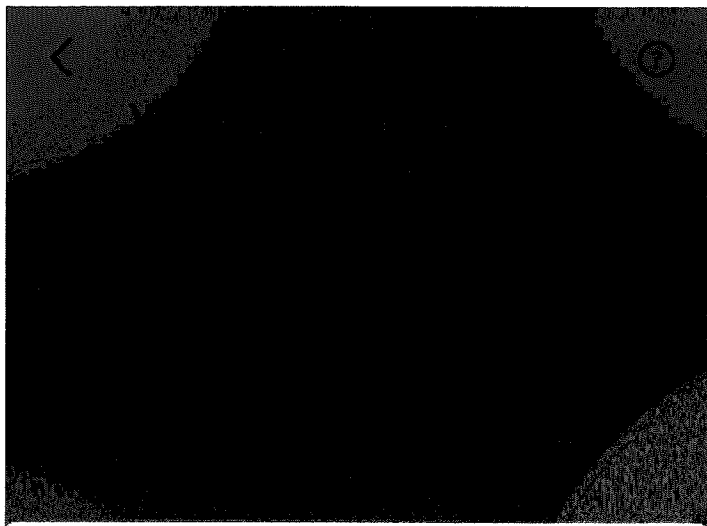
Your optional tips keeps us running.

\$5.00



Transfer out + tip

Custom tip



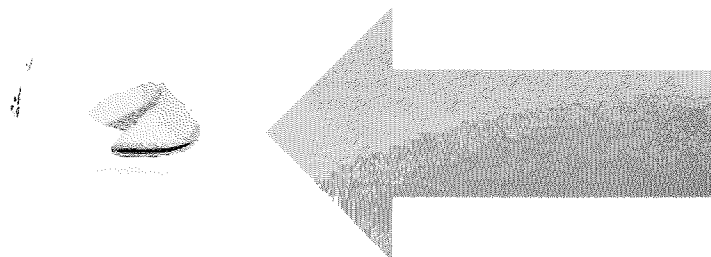
The APR for this cash out is 0%. Your tips help support us.



Tip to open your fortune cookie

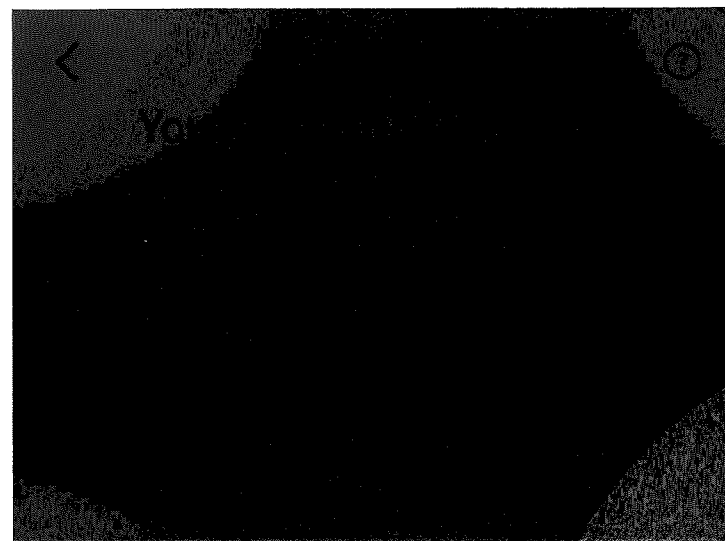
Your optional tips keeps us running.

\$4.00



Transfer out + tip

Custom tip



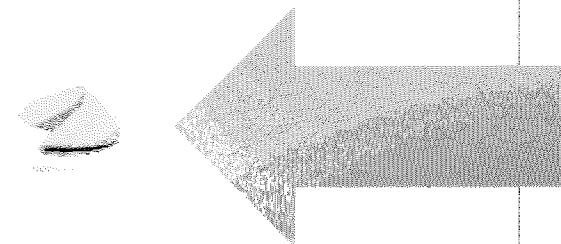
The APR for this cash out is 0%. Your tips help support us.



Tip to open your fortune cookie

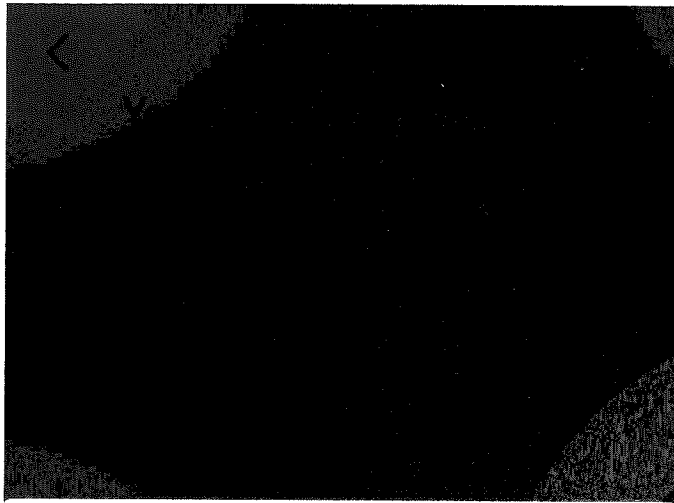
Your optional tips keeps us running.

\$3.00



Transfer out + tip

Custom tip



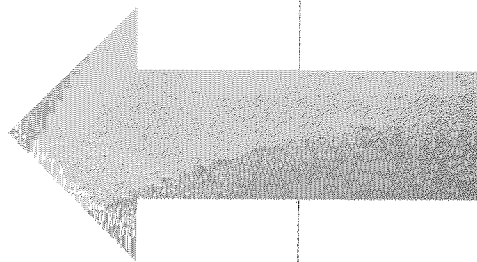
The APR for this cash out is 0%. Your tips help support us.



Tip to open your fortune cookie

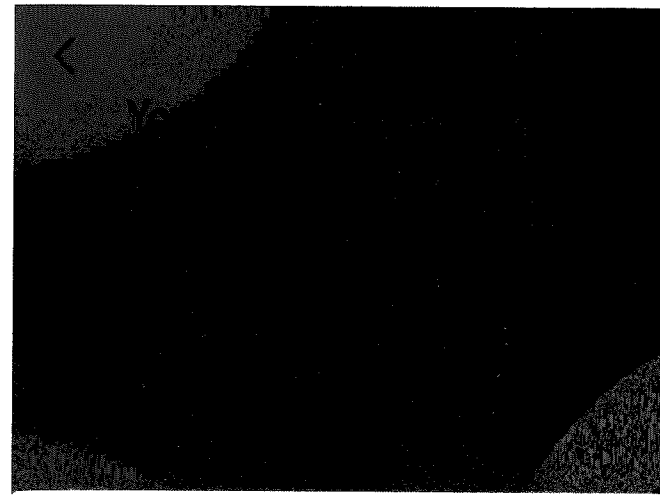
Your optional tips keeps us running.

\$2.00



Transfer out + tip

Custom tip



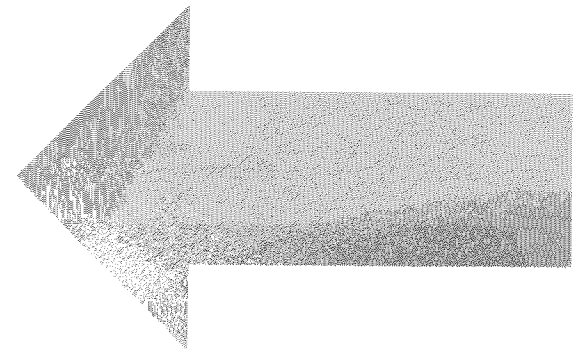
The APR for this cash out is 0%. Your tips help support us.



Tip to open your fortune cookie

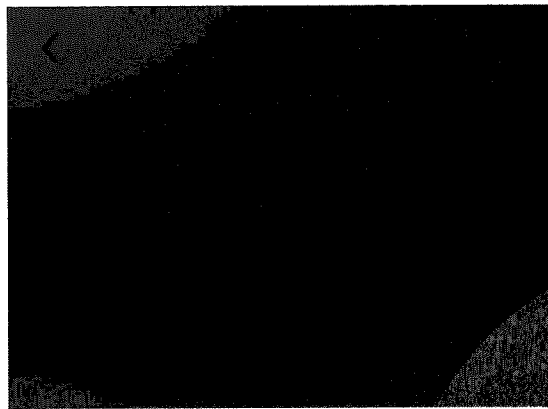
Your optional tips keeps us running.

\$1.00



Transfer out + tip

Custom tip



Ⓢ The APR for this cash out is 0%. Your tips help support us.

< Tip to open your fortune cookie

Your optional tips keeps us running.

\$0.00

Tip what you feel is fair

Transfer out

Custom tip

Tip message #7



Your tips make a difference

Tip message #8

Earnin is supported by your generosity. Tips keep us running for members like you.

\$

Why tip? ⓘ

Add tip

1

2

3

ABC

DEF

4

5

6

GHI

JKL

MNO

7

8

9

PQRS

TUV

WXYZ

.

0





Your tips make a difference

Earnin is supported by your generosity. Tips keep us running for members like you.

Why tip? ⓘ

Add tip

1	2 ABC	3 DEF
4 GHI	5 JKL	6 MNO
7 PQRS	8 TUV	9 WXYZ
.	0	ⓧ

Tip message #9

Tip message #10



Your tips make a difference

Earnin is supported by your generosity. Tips keep us running for members like you.

 DONE

Why tip? ⓘ

Add tip

1	2 ABC	3 DEF
4 GHI	5 JKL	6 MNO
7 PQRS	8 TUV	9 WXYZ
.	0	ⓧ



Your tips make a difference

EarnIn is supported by your generosity. Tips keep us running for members like you.

Tip message #11

Why tip? ⓘ

Add tip

1

2

3

ABC

DEF

4

5

6

GHI

JKL

MNO

7

8

9

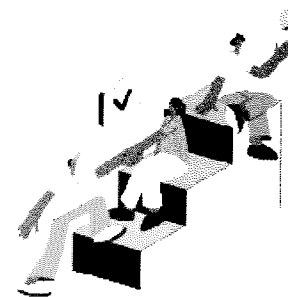
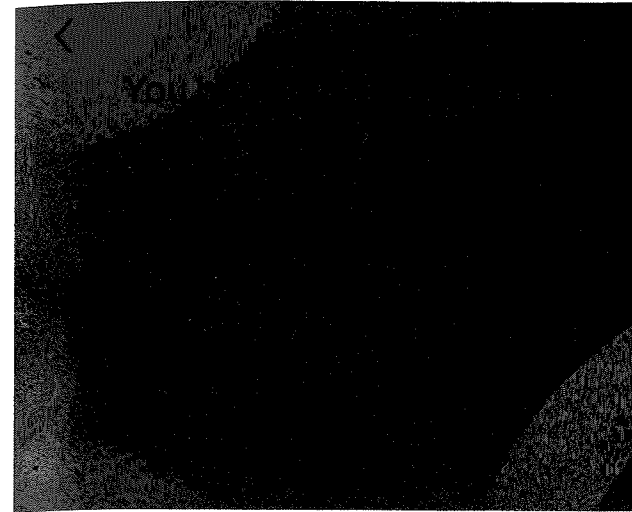
PQRS

TUV

WXYZ

0

ⓧ

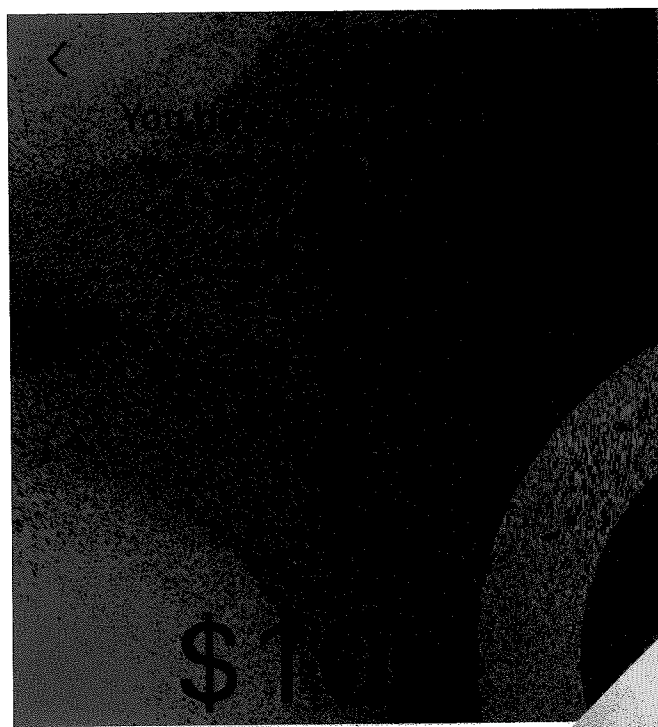


Tips keep EarnIn running for millions of members.

Every day, all of us at EarnIn are working to provide you with access to your earnings for those times you need it most. Tips keep us running for millions of members.

You'll always have the freedom to tip what you think is fair—and within your budget. After all, we're in this together.

Tip message #12



Your tips make a difference

Earnin' is supported by your generosity. Tips keep us running for members like you.

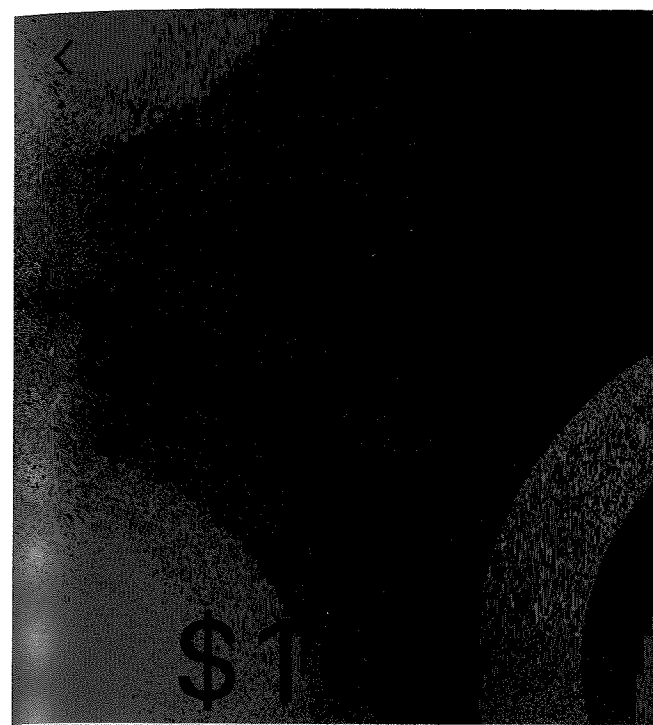
\$0



Even \$1 helps. Thank you!

Add \$0 tip

Tip message #13



Your tips make a difference

Earnin' is supported by your generosity. Tips keep us running for members like you.

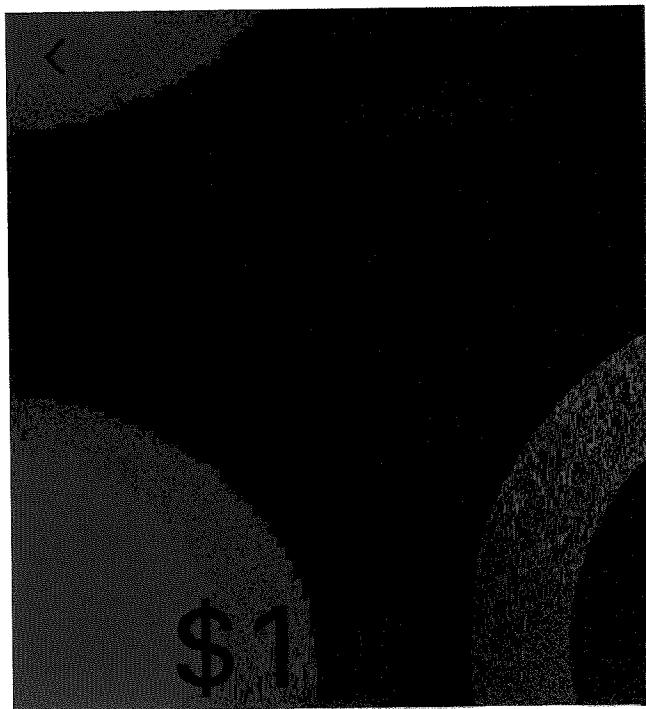
\$0



Even \$1 helps. Thank you!

Add \$0 tip

Tip message #14



Your tips make a difference

EarnIn is supported by your generosity. Tips keep us running for members like you.

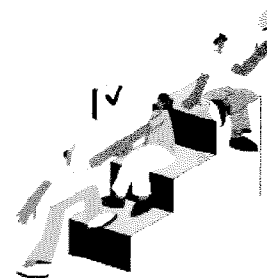
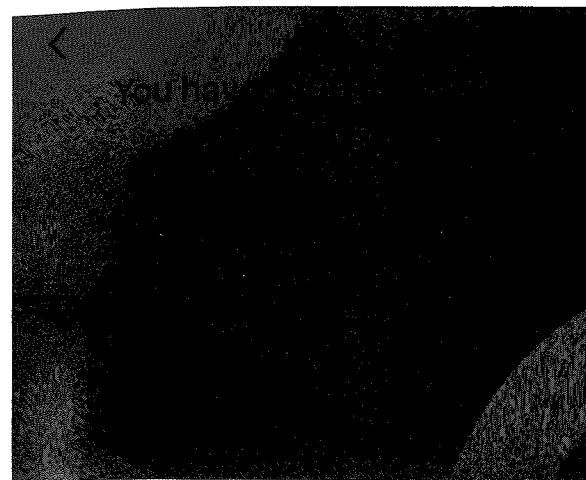
\$0



Even \$1 helps. Thank you!

Add \$0 tip

Tip message #15

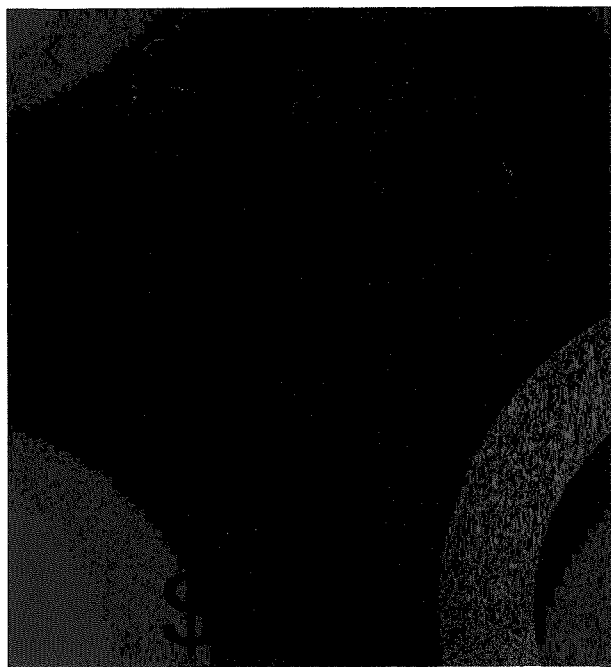


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Tip message #16



Your tips make a difference

Earnin is supported by your generosity. Tips keep us running for members like you.

\$0



Even \$1 helps. Thank you!

Add \$0 tip

Tip message #17