



Oregon State Capitol
Senate Committee on Labor and Business
900 Court St NE
Salem, OR 97301

Re: Support of SB 481

Dear Honorable Members of the Senate Committee on Labor and Business:

Thank you for the opportunity to express our strong support for SB 481, which creates new consumer protections and establishes a clear framework for the licensing and regulation of Earned Wage Access (EWA) services in Oregon.

EWA helps Oregon workers make ends meet

In the face of rising costs and financial uncertainty, many of your constituents are struggling to make ends meet. According to the United Way of Central Oregon, approximately 45% of Oregonians live paycheck-to-paycheck. The need for accessible and affordable financial solutions has never been more urgent. EWA offers workers a much-needed lifeline by allowing working families to access wages they've already earned before their scheduled payday, for low fees or no fees. This empowers workers to address costs as they arise, rather than having to plan around their employers' pay periods.

EWA has already become an invaluable tool for over 150,000 workers in Oregon. By giving employees access to their already earned wages, EWA helps them avoid costly alternatives like high-cost online payday loans, credit card debt, and late fees.

SB 481 creates important consumer protections.

SB 481 creates a new, dedicated oversight system for EWA that is aligned with how this novel product operates. The bill proposes to regulate EWA service providers by requiring they obtain a license from the Department of Consumer and Business Services. There are many other industries regulated by the Department of Consumer and Business Services including consumer lenders, credit unions, and check cashers and sellers.

The regulatory framework proposed in SB 481 creates important consumer protections. It also empowers your state's regulators to ensure EWA providers are operating in a way that protects consumers with penalties for those who fail to comply with consumer protections regulations. Key consumer protections in this bill include:

- **Bans interest, late fees, and penalties:** The bill prohibits the imposition of interest, late fees, or penalties, shielding workers from the high-cost practices often associated with payday loans, pawn loans, auto loans, short-term installment loans, and other types of predatory lending.
- **Requires *at least one free option*:** SB 481 mandates that providers offer at least one no-cost option for workers to access their earned wages ahead of payday.
- **Ensuring low-credit workers will always have access:** SB 481 ensures that no credit checks or credit reporting will be involved in EWA transactions, which means even workers with poor or no credit are always able to access this beneficial service.
- **First-in-the-nation fee cap:** The legislation sets a cap of \$7 on fees for expedited transactions, ensuring expedited fees do not exceed that amount.
- **Bans recourse in an EWA transaction:** The bill gives users the ability to cancel an EWA transaction at any point without penalty, while also ensuring that providers cannot pursue recourse or debt collection in the event of insufficient funds at payday or an employer does not make payroll. This ensures there is no recourse in an EWA transaction, ever.
- **Fee disclosures and transparency:** The bill creates clear fee disclosures for optional fees, so consumers are well-informed, and can choose the EWA option that best suits their needs.
- **Licensing and ongoing oversight:** By establishing licensing requirements and empowering the Department of Consumer and Business Services to oversee compliance, SB 481 ensures that only reputable businesses can provide EWA services in Oregon, and that they are held accountable for their practices.

For these reasons, SB 481 ensures workers can access their earned wages responsibly and at no cost. By distinguishing EWA as an innovative service that allows access to earned wages, this bill controls for the consumer risks unique to EWA, which are different from those posed by credit or other financial products.

We strongly urge you to support SB 481 and provide your constituents with the tools they need to achieve financial stability.

Sincerely,

American Fintech Council
Brigit
Chamber of Progress
Cross River Bank
DailyPay
EarnIn

Immediate
Money Lion
Payactiv
Wagestream
ZayZoon