



January 30, 2025

Written comments of Jane Doyle, Senior Regulatory Policy Associate, Woodstock Institute

RE: H.99, January 30, 2025 Vermont House Commerce & Economic Development
Committee hearing

[via email to Annagrace Oblak, aoblak@leg.state.vt.us]

Hello members of the committee and thank you for allowing me to provide comments. My name is Jane Doyle and I am speaking on behalf of Woodstock Institute, where I serve as the Senior Regulatory Policy Associate. Woodstock Institute is an advocacy and research nonprofit organization based in Chicago that works to advance consumer financial protection policies at the local, state, and national levels. I'm here today to relay Woodstock's position on EWA products in general.

Woodstock Institute believes that responsible EWA products can be a safe and affordable financial product, and, with proper regulation, have a role to play in the landscape of financial products and strategies to help consumers address short-term cash needs. It can even serve as a free advance option for consumers. The business model varies by provider and whether an EWA product is offered through an employer or direct to consumer, and some products may offer additional charges like expedite fees or tips. We believe that proper regulatory oversight should pay close attention to whether those fees are truly voluntary, as voluntary charges are not finance charges.

By contrast, payday loans, auto title loans, and high-cost installment loans (including so-called "rent-a-bank" loans) carry mandatory finance charges, often APRs in the triple digits, and are predatory by design. Responsible EWA products can serve as a safe and affordable alternative to these kinds of products for consumers in a cash crunch.

So long as those additional charges remain voluntary and consumers understand the cost-benefit analysis for each choice they make during an EWA transaction, then a truly free advance option can remain on the market and available to consumers.

Thank you again for allowing me to provide comments.