

**Earned wage access services.  
Rep. Herb Olson.  
2-6-2025.**

- Many Vermonters are in desperate financial circumstances, and being able to access their wages before payday can make a valuable difference to them.
- Desperate people should have protection from unfair business practices. I'm not convinced that H.99 as currently drafted offers sufficient protections for consumers.
- There are alternatives offered by some financial institutions. I could be convinced otherwise, but right now I'm not sure that these alternative services are widely available to individuals at the lowest end of our economic system.
- From my perspective, the cash payment offered by earned wage access service providers is a loan, an extension of credit, and should be regulated as such. My feeling is that both expedited services, and "basic" or "free" services are loans, given the typically desperate financial circumstances of individuals who need immediate cash.
- The Licensed Lender statute administered by DBR is the proper place for the regulation of loans such as those that are offered by earned wage access service providers.
- Amendments to the Licensed Lender statute which may be appropriate for earned wage access services might include the following:
  - There should be an appropriate rate and fee cap on what can be charged to the consumer that reflects what is fair to the consumer, and that reflects the reasonable cost to the service provider. My inclination is to delegate to DBR the determination of an appropriate cap, but I am interested in hearing more on this point from DBR, providers, and consumer advocates.
  - We should give consideration of at least some of the proposals offered by our colleague Rep. Priestley in her email last evening.