

HOUSE BILL 237

I3, I2

(PRE-FILED)

6lr0106
CF SB 94

By: Chair, Economic Matters Committee (By Request – Departmental – Labor)

Requested: September 30, 2025

Introduced and read first time: January 14, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Earned Wage Access – Revisions**

3 FOR the purpose of prohibiting certain tipping practices; altering the timeline for certain
4 refunds; subjecting certain earned wage access providers and loan lenders to certain
5 consumer loan requirements; and generally relating to earned wage access.

6 BY repealing and reenacting, with amendments,

7 Article – Commercial Law

8 Section 12–128, 12–318, and 12–1502 through 12–1504

9 Annotated Code of Maryland

10 (2013 Replacement Volume and 2025 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

12 That the Laws of Maryland read as follows:

13 **Article – Commercial Law**

14 12–128.

15 (a) A lender [who gives consumers an option to provide the lender a tip shall:

16 (1) Disclose to the consumer to whom the tip will be allocated; and

17 (2) Set the default tip at zero] **MAY NOT ACCEPT A TIP FROM A**
18 **CONSUMER OR GIVE A CONSUMER THE OPTION TO PROVIDE A TIP.**

19 (b) A lender may not directly or indirectly suggest that providing a tip will
20 influence:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) The lender's willingness to provide a loan to a consumer at any time; or
- 2 (2) The terms of any loan offered to the consumer by that lender.

3 (c) A lender who receives a tip [that would otherwise create a rate of interest
4 above that allowed under this subtitle] may not be found in violation of this subtitle if the
5 lender returns all of the tip [or that portion of the tip necessary to reduce the rate of interest
6 to an amount allowed under this subtitle] within [30 calendar] 7 days after receiving the
7 tip.

8 (d) A lender shall prominently disclose that[:

9 (1) Providing a tip does not influence the lender's willingness to provide a
10 loan to the consumer at any time; and

11 (2) Any tip paid by the consumer does not inure to the direct benefit of any
12 specific employee of the lender or any other individual] **IT IS PROHIBITED FROM**
13 **ACCEPTING A TIP FROM A CONSUMER.**

14 12–318.

15 (a) A lender [who gives consumers an option to provide the lender a tip shall:

16 (1) disclose to the consumer to whom the tip will be allocated; and

17 (2) set the default tip at zero] **MAY NOT ACCEPT FROM ANY CONSUMER,**
18 **OR GIVE ANY CONSUMER THE OPTION TO PROVIDE, A TIP.**

19 (b) A lender may not directly or indirectly suggest that providing a tip will
20 influence:

21 (1) the lender's willingness to provide a loan to a consumer at any time; or

22 (2) the terms of any loan offered to the consumer by that lender.

23 (c) A lender who receives a tip [that would otherwise create a rate of interest
24 above that allowed under this subtitle] may not be found in violation of this subtitle if the
25 lender returns all of the tip [or that portion of the tip necessary to reduce the rate of interest
26 to an amount allowed under this subtitle] within [30 calendar] 7 days after receiving the
27 tip.

28 (d) A lender shall prominently disclose that[:

29 (1) Providing a tip does not influence the lender's willingness to provide a
30 loan to the consumer at any time; and

1 (2) Any tip paid by the consumer does not inure to the direct benefit of any
2 specific employee of the lender or any other individual] **IT IS PROHIBITED FROM**
3 **ACCEPTING A TIP FROM A CONSUMER.**

4 12–1502.

5 (a) A person may not engage in the business of providing earned wage access
6 unless the person is licensed under or is exempt from the licensing requirements of Title
7 11, Subtitle 2 of the Financial Institutions Article.

8 (b) Failure to obtain a consumer loan license shall subject a provider to the
9 enforcement provisions of Title 11, Subtitle 2 of the Financial Institutions Article.

10 (c) An earned wage access provider licensed under Title 11, Subtitle 2 of the
11 Financial Institutions Article and subject to this subtitle is exempt from other provisions
12 of State law governing lending, credit, or debt, including the provisions of Subtitle 1,
13 Subtitle 3, Subtitle 9, and Subtitle 10 of this title **WITH THE EXCEPTION OF §§ 12–304,**
14 **12–305, AND 12–316.1 OF THIS TITLE.**

15 (d) Earned wage access services provided in accordance with this subtitle may not
16 be considered:

17 (1) A money transmission; or

18 (2) A violation of or noncompliance with State laws governing deductions
19 from payroll, salary, wages, compensation, or other income or the purchase, sale,
20 assignment, or order for unpaid but earned wages.

21 12–1503.

22 (a) A provider of earned wage access shall:

23 (1) Develop and implement policies and procedures to respond to questions
24 raised by consumers;

25 (2) Address complaints from consumers in an expedient manner;

26 (3) Whenever the provider offers a consumer the option to receive earned
27 wage access services for a fee [or solicits an optional tip, gratuity, or other donation], offer
28 [to] the consumer at least one reasonable option to obtain earned wage access at no cost to
29 the consumer;

30 (4) Clearly explain to a consumer how to elect a no-cost option described
31 in item (3) of this subsection;

1 (5) Before entering into an agreement with a consumer for the provision of
2 earned wage access services:

3 (i) Inform the consumer of the consumer's rights under the
4 agreement; and

5 (ii) Fully and clearly disclose all fees associated with the earned
6 wage access services;

7 (6) Inform a consumer of any material changes to the terms and conditions
8 of the earned wage access services before implementing those changes for that consumer;

9 (7) Allow a consumer to cancel use of the provider's earned wage access
10 services at any time without incurring a cancellation fee imposed by the provider;

11 (8) Comply with all applicable local, state, and federal privacy and
12 information security laws;

13 (9) [If a provider solicits, charges, or receives a tip, gratuity, or other
14 donation from a consumer:

15 (i) Set the default tip, if any, at zero;

16 (ii) Clearly and conspicuously disclose to the consumer immediately
17 prior to each transaction that any tip paid by the consumer does not inure to the direct
18 benefit of any specific employee of the provider or any other individual;

19 (iii) Clearly and conspicuously disclose to the consumer immediately
20 prior to each transaction that a tip, gratuity, or other donation amount is optional and
21 voluntary; and

22 (iv)] Clearly and conspicuously disclose in the provider's service
23 contract with the consumer that[:

24 1. tips, gratuities, or other donations are voluntary; and

25 2. The offering of earned wage access services, including the
26 amount of proceeds a consumer is eligible to request and the frequency with which proceeds
27 are provided to a consumer, is not contingent on whether the consumer pays any tip,
28 gratuity, or other donation or on the size of the tip, gratuity, or other donation] THE
29 PROVIDER IS PROHIBITED BY LAW FROM SOLICITING OR RETAINING TIPS,
30 GRATUITIES, OR OTHER DONATIONS;

31 (10) Provide proceeds to a consumer by any means mutually agreed upon by
32 the consumer and the provider; and

(i) Comply with the federal Electronic Fund Transfer Act and regulations adopted to implement the Act; and

13 (b) Subsection (a)(11) of this section does not apply to a provider seeking
14 repayment of outstanding proceeds or payment of fees or other amounts owed that were
15 received or incurred by a consumer through fraudulent or other unlawful means.

16 12-1504.

17 A provider of earned wage access may not:

(1) Share with an employer any [fees, tips, or other] charges received from a consumer for earned wage access;

20 (2) SOLICIT OR CHARGE A TIP;

(3) Condition a consumer's ability to obtain earned wage access on the consumer's ability or willingness to pay the provider a tip;

[3] (4) Charge a consumer a late fee, interest, or other penalty for failure to pay any proceeds[,] OR fees[, or tips]:

25 [4] (5) Report any information about a consumer's failure to pay any
26 proceeds[] OR fees[] or tips[] to any consumer reporting agency.

27 [5] (6) Obtain a consumer's credit report as a method of qualifying the
28 consumer for earned wage access;

29 [6] (7) Receive interest from a consumer; or

[7] (8) Compel or attempt to compel payment by a consumer of any fees, tips, gratuities or other donations through:

32 (j) A civil action against the consumer:

(ii) The use of a third party to pursue collection from the consumer on the provider's behalf; or

(iii) The sale or assignment of outstanding amounts to a third-party collector or debt buyer for collection from the consumer.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2026.