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**State Representative Joshua E. Williams**  
**Ohio House of Representatives**

Chairman Johnson, Vice-Chair Lear, Ranking Member McNally, and esteemed members of the House Commerce and Labor Committee, thank you for the opportunity to provide sponsor testimony on HB 152 today.

This legislation provides a regulatory framework for Earned Wage Access (EWA) providers: a financial service that is offered to employers to allow their employees to access their own wages—money that the employee has already earned—before payday. It is important to distinguish this type of financial service, which is essentially a banking service, from a loan. Under this legislation, Earned Wage Access providers will be prohibited from charging interest, and each provider must also offer their customers a no-fee option. This legislation creates clear guardrails for EWA companies that plan to do business in Ohio, while allowing businesses and employees in this state to take advantage of the benefits of this service.

For employees on a tight budget, this service is a lifeline to needed funds that the employee is already entitled to. Under current law, employees have very few options when faced with an unexpected expense. Payday loans can charge sky-high interest rates, while employees who take out title loans run the risk of losing their car or home if they are unable to repay a comparatively small loan. In contrast, EWA has a mandated no-cost option for early access to paycheck funds, helping Ohioans make ends meet when they need it most. In addition to benefiting employees, Earned Wage Access is an attractive service to Ohio employers. For

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employers looking to recruit a workforce, the ability to pay employees sooner is a tangible benefit to attract new employees.

To many employees, a job that pays weekly or daily is a tangible benefit. I can't tell you how many times I have heard from employers in my community that they can't find employees. This legislation will provide companies in my district and across the state another tool to recruit a strong workforce.

While Earned Wage Access providers are operating in all 50 states, five states have passed legislation regulating this relatively new financial service. For employers and employees to continue benefiting from EWA services, it is critical to create a regulatory framework to protect consumers. This bill contains a number of provisions that complement federal consumer protection laws and provides oversight of the industry to the Ohio Department of Commerce Division of Financial Institutions. Some of the consumer protections offered in this bill are as follows:

- EWA providers must offer customers at least one no-cost option for receiving advances.
- If the consumer does not repay, the EWA provider cannot go to court to sue the consumer or pursue debt collection activities.
- EWA providers may NOT condition access to the product on a consumer's credit score and may NOT report consumers' repayment behavior to credit reporting agencies.

These requirements ensure that Ohioans who take advantage of this program will not be forced to into a cycle of debt by bad actors, and instead empowers them to meet their financial obligations.

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I am proud to joint sponsor this bipartisan legislation with Representative Upchurch, and look forward to working with the committee on this bill. Chairman Johnson, Vice-Chair Lear, Ranking Member McNally, and members of the House Commerce and Labor Committee, thank you again for the opportunity to testify on HB 152. I welcome any questions you may have.