



1108 City Park Ave, Suite 200  
Columbus, OH 43206  
614-827-0549  
[ohiopovertylawcenter.org](http://ohiopovertylawcenter.org)

**Ohio Poverty Law Center Testimony  
Ohio House Commerce and Labor Committee  
Wednesday, October 8, 2025**

Chair Johnson, Vice Chair Lear, Ranking Member McNally, and members of the Ohio House Commerce and Labor Committee, my name is Danielle DeLeon Spires, and I am a policy advocate at the Ohio Poverty Law Center. The Ohio Poverty Law Center advocates for evidence-based policies that protect and expand the rights of low-income Ohioans. We are a non-profit working closely with Ohio's legal aid community, serving Ohioans who are living, working, and raising their families in poverty. Thank you for the opportunity to provide testimony on House Bill 152, which regards regulations for Earned Wage Access (EWA) services.

The language of the bills creates a regulatory process for EWA under the Department of Financial Institutions; however, it also creates a loophole for operating outside of applicable consumer lending laws.

These products are comprised of multiple models, including direct-to-consumer products and employer-integrated services. Under the bill, companies are required to disclose terms and conditions, as well as any fees. A requirement to provide a no-cost option is also included, however, consumers typically encounter optional fees or "tips" upon taking out an advance. The different models often utilize different fee structures, including, but not limited to monthly subscription fees, transaction fees, and expedite fees.

In addition, under these provisions EWA services are not considered a loan or other form of credit or debit or a money transmission. In addition, the bill language creates a carveout for EWAs to avoid violation or non-compliance of the Revised Code provisions governing the sale or assignment of, or an order for, earned but unpaid income. Any registrant providing earned wage access services shall not be considered a creditor, debt collector, lender, or money transmitter.

These as-introduced EWA provisions present several concerns. The language does not include limits on fees or tips: Transparency in fees and tips are not the same as capped or nominal fees. In addition, the language allows these products to avoid being named as loans. Previous advice from the CFPB through an interpretative rule issued in July 2024, found that paycheck advance products are consumer loans subject to the Truth in Lending Act, which provides consumers with strong protection against predatory practices.

We agree with advocacy recommendations that any regulation of EWA products includes provisions classifying these payday advances as credit, and the providers as lenders. We also

encourage caps on additional fees and tips. Addition of these recommendations to the bill language would create additional consumer protection for individuals utilizing these services.

Many borrowers are trapped in a cycle of debt, which leads to repeat usage of EWAs. While a significant number of consumers use these apps for emergency situations, over half of consumers use direct-to-consumer cash advance apps to pay for everyday expenses like food, transportation, housing costs, and bill and utility payments. Repeated use prolongs the cycle of debt because as a borrower covers the advance, they are still left with a gap in funds that could lead to taking out another advance.

In a September 2025 report, Center for Responsible Lending (CRL) found that 72% of users take out more than one loan during a two-week period. Consumers can also access multiple lenders simultaneously, leading to loan stacking and increased risk of overdraft fees. CRL's report found that more than 50% of the users took out loans from more than one lender during the first year of app use.

Direct-to-consumer lenders receive access to a consumer's bank accounts and process transactions to recoup loan funds. This may result in multiple attempts, regardless of the balance of the account. Borrowers face the risk of overdraft fees, adding to an already precarious financial situation.

The impact on consumers raises substantial concerns and we encourage the committee to include additional consumer protections in regulatory provisions. Thank you for the opportunity to provide testimony on House Bill 152 and I am happy to answer any questions.

Sincerely,  
Danielle DeLeon Spires



**Danielle DeLeon Spires**  
**Policy Advocate**

614-827-0549 (ext. 8114) | [dspires@ohiopovertylaw.org](mailto:dspires@ohiopovertylaw.org)

Direct: 614-824-2621

1108 City Park Ave. Suite 200

Columbus, OH 43206

[www.ohiopovertylawcenter.org](http://www.ohiopovertylawcenter.org)