



Senator George Lang
Senate Bill 117
Sponsor Testimony
Senate Financial Institutions, Insurance and
Technology Committee
May 6, 2025

Chairman Wilson, Ranking Member Craig, and other members of the Senate Financial Institutions, Insurance and Technology Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 117, which seeks to set a regulatory framework for earned wage access providers.

Earned wage access providers provide access to wages that workers already have earned but have not received yet. Workers can often access their wages on the same day worked, and for a small fee of around \$3. Most EWA providers also offer a free option, usually including next-day deposit into the worker's bank account. This model is much different and more consumer friendly than "payday" lenders, which often charge exorbitantly high interest rates to mostly low-income individuals.

And currently, Earned Wage Access providers are operational in all 50 states, but there is no regulatory framework for these companies in Ohio. SB117 is a proactive bill to set up a framework for providers to operate within, which will require EWA providers to be legitimate businesses.

Senate Bill 117 sets up this framework by doing the following:

- Requires EWA providers to register with the Division of Financial Institutions within the Department of Commerce
- Establishes a licensing process for providers and provides consumer protections
- Requires providers to make certain disclosures to consumers regarding fees and terms
- Authorizes the superintendent to investigate alleged violations of the law including imposing fines and filing civil actions to obtain an injunction or other appropriate relief
- Establishes recordkeeping requirements for providers
- Requires providers to offer at least one free option for accessing funds early

Important to note, the language in SB117 was adopted in the latest version of House Bill 96.

Additionally, after receiving feedback from the consumer data industry, a technical amendment is in the works that will clarify that earned wage access providers can comply with Fair Credit Reporting Act (FCRA) reporting requirements, which is prohibited in the current language.

I strongly believe for Ohio to be the most business-friendly state in the country, we must allow the free markets to operate, but with reasonable regulations when necessary. This bill accomplishes just that.

Thank you, Mr. Chairman, for allowing me to present sponsor testimony on Senate Bill 117, and I'd be happy to answer any questions.