

Union Calendar No. 650

118TH CONGRESS
2^D SESSION

H. R. 7428

[Report No. 118-787]

To regulate the business of offering and providing earned wage access services to consumers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 20, 2024

Mr. STEIL (for himself and Mr. HILL) introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 3, 2024

Additional sponsors: Mr. DONALDS, Mr. MEUSER, Mr. BARR, Mr. LUETKEMEYER, and Mr. SESSIONS

DECEMBER 3, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on February 20, 2024]

A BILL

To regulate the business of offering and providing earned wage access services to consumers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Earned Wage Access*
5 *Consumer Protection Act”.*

6 **SEC. 2. EARNED WAGE ACCESS SERVICES.**

7 *(a) PROVISION OF EARNED WAGE ACCESS SERV-*
8 *ICES.—*

9 *(1) NO-COST OPTION REQUIRED.—If an earned*
10 *wage access provider offers a consumer the option to*
11 *receive earned wages in exchange for a fee, such*
12 *earned wage access provider shall also offer such con-*
13 *sumer the option to obtain the same amount of earned*
14 *wages at no cost to the consumer.*

15 *(2) REQUIRED DISCLOSURES.—*

16 *(A) DISCLOSURES PRECEDING AGREE-*
17 *MENT.—Each earned wage access provider shall*
18 *disclose the following before entering into an*
19 *agreement with a consumer:*

20 *(i) Any limits on the amount of earned*
21 *wages a customer may request from such*
22 *provider, including—*

23 *(I) any limits on the amount of*
24 *earned wages a consumer may request*
25 *from the provider each day;*

1 (II) any limits on the amount of
2 earned wages a consumer may request
3 from the provider each pay period; and

4 (III) any limits on the amount of
5 earned wages a consumer may request
6 from the provider that are based on a
7 determination by the provider of the
8 ratio between the amount of earned
9 wages requested by the consumer and
10 the total wages earned by the con-
11 sumer, and how such determination is
12 made.

13 (ii) Any fees that such provider may
14 apply, and the amount of such fees, includ-
15 ing fees relating to expedited disbursement
16 and subscriptions.

17 (iii) A description of how the consumer
18 may obtain earned wages without paying a
19 fee.

20 (iv) An overview of such provider's use
21 of voluntary payments that describes—

22 (I) whether such provider will ac-
23 cept voluntary payments from the con-
24 sumer and in what amounts; and

1 (ii) whether such provider will
2 suggest the consumer provide voluntary
3 payments and in what amounts.

4 (B) *DISCLOSURES PRECEDING APPROVAL OF*
5 *REQUEST.—Each earned wage access provider*
6 *shall disclose the following after approving any*
7 *request from a consumer for access to earned*
8 *wages but before disbursing such earned wages to*
9 *such consumer:*

10 (i) *The account number such provider*
11 *has assigned to the consumer, if applicable.*

12 (ii) *The amount of earned wages that*
13 *will be provided to the consumer by such*
14 *provider.*

15 (iii) *The total amount of any fees ap-*
16 *plied by such provider.*

17 (iv) *A list of any voluntary payments*
18 *the consumer has agreed to provide.*

19 (v) *The amount that such provider in-*
20 *tends to collect as repayment after dis-*
21 *bursing the earned wages, the date on which*
22 *such provider intends to collect such amount*
23 *or a description of when such provider in-*
24 *tends to collect such amount, and the man-*

1 *ner in which such provider intends to col-*
2 *lect such amount.*

3 (C) *ADDITIONAL DISCLOSURES RELATING*
4 *TO VOLUNTARY PAYMENTS.—If an earned wage*
5 *access provider solicits, charges, or receives a vol-*
6 *untary payment from a consumer, such pro-*
7 *vider—*

8 *(i) shall clearly and conspicuously dis-*
9 *close to the consumer, before the provider*
10 *commences the transaction to which the vol-*
11 *untary payment is related, that such vol-*
12 *untary payment—*

13 *(I) is voluntary;*

14 *(II) is not a requirement for re-*
15 *ceiving earned wage access services;*
16 *and*

17 *(III) will not impact the fre-*
18 *quency with which such earned wages*
19 *are disbursed to such consumer; and*

20 *(ii) may not state that such voluntary*
21 *payment will benefit any specific indi-*
22 *vidual.*

23 (D) *CHANGES TO TERMS.—Each earned*
24 *wage access provider shall notify each consumer*
25 *with which such earned wage access provider has*

1 entered an agreement to offer earned wage access
2 services of any material changes to the terms and
3 conditions of service used by such provider not
4 less than 30 days before such material changes
5 take effect.

6 (E) *REGULATIONS.*—*The Bureau shall, not*
7 *less than 180 days after the date of the enact-*
8 *ment of this section, issue rules that govern the*
9 *form and manner in which the disclosures de-*
10 *scribed in this section are provided to consumers.*

11 (3) *CANCELLATION OF SERVICES.*—*If an earned*
12 *wage access provider makes earned wage access serv-*
13 *ices available to a consumer on a recurring basis,*
14 *such earned wage access provider—*

15 (A) *shall allow such consumer to dis-*
16 *continue such services if such consumer provides*
17 *reasonable notice to such earned wage access pro-*
18 *vider that such consumer desires to discontinue*
19 *such services; and*

20 (B) *may not impose any financial penalty*
21 *on such consumer as a result of any discontinu-*
22 *ation of services.*

23 (4) *DISPUTE PROCESS REQUIRED.*—*Each earned*
24 *wage access provider shall develop and implement*

1 *policies and procedures to respond to questions and*
2 *complaints from consumers relating to—*

3 *(A) unauthorized disbursement of earned*
4 *wages;*

5 *(B) disbursement of earned wages in an in-*
6 *correct amount;*

7 *(C) disbursed earned wages that were not*
8 *received;*

9 *(D) repayment of disbursed earned wages*
10 *that is not received or was made in an incorrect*
11 *amount; and*

12 *(E) voluntary payments that were not au-*
13 *thorized or were made in an incorrect amount.*

14 *(5) COMPELLING REPAYMENT OF DISBURSED*
15 *WAGES.—*

16 *(A) IN GENERAL.—An earned wage access*
17 *provider may not seek repayment of earned*
18 *wages disbursed to a consumer by such provider*
19 *by—*

20 *(i) filing a civil suit;*

21 *(ii) initiating arbitration proceedings;*

22 *(iii) using the services of a debt col-*
23 *lector (as such term is defined in section*
24 *803 of the Fair Debt Collection Practices*
25 *Act); or*

1 (iv) selling the rights to the repayment
2 of the disbursed earned wages to a third-
3 party debt buyer.

4 (B) *EXCEPTIONS.*—Subparagraph (A) shall
5 not apply if an earned wage access provider is—

6 (i) seeking repayment of earned wages
7 disbursed to a consumer based on informa-
8 tion provided by the consumer that the con-
9 sumer knew was false; or

10 (ii) pursuing the employer of the con-
11 sumer to which such provider disbursed
12 earned wages for breach of its contractual
13 obligations to the provider.

14 (6) *REIMBURSEMENT REQUIRED.*—If an earned
15 wage access provider seeks repayment of disbursed
16 earned wages, payment of a fee, or a voluntary pay-
17 ment directly from a deposit account of a consumer,
18 on an incorrect date or in an incorrect amount, and
19 such attempt triggers an overdraft fee or non-suffi-
20 cient funds fee from the financial institution of the
21 consumer, the earned wage access provider shall reim-
22 burse such consumer for such fee.

23 (7) *ADDITIONAL LIMITATIONS.*—An earned wage
24 access provider may not—

1 (A) share any fees, tips, gratuities, or other
2 donations that were received from or charged to
3 a consumer for earned wage access services with
4 the employer of such consumer;

5 (B) accept payment of fees or voluntary
6 payments from a consumer through a credit card
7 of the consumer, unless such credit card is pro-
8 vided to the consumer as a part of the earned
9 wage access service; or

10 (C) require a consumer to pay a late fee, de-
11 ferral fee, interest, or any other penalty or
12 charge as a result of a failure by the consumer
13 to pay a fee, tip, gratuity, or other donation re-
14 quested or applied by such provider.

15 (8) *DISCLOSURE TO EMPLOYER.*—An earned
16 wage access provider may disclose, to an employer
17 with which such provider has a contract relating to
18 earned wage access services, only such information
19 about earned wage access services used by consumers
20 who are employees of such employer as is necessary
21 for such earned wage access provider to recover dis-
22 bursed wages.

23 (9) *NON-DISCRIMINATION.*—It shall be unlawful
24 for any earned wage access provider to discriminate
25 against any consumer on the basis of race, color, reli-

1 *gion, national origin, sex, pregnancy, marital status,*
2 *or age when offering earned wage access services.*

3 *(b) RULEMAKING.—The Bureau may issue such rules*
4 *as the Bureau determines appropriate to carry out this sec-*
5 *tion.*

6 *(c) DEFINITIONS.—In this section:*

7 *(1) BUREAU.—The term “Bureau” means the*
8 *Bureau of Consumer Financial Protection.*

9 *(2) CONSUMER.—The term “consumer” means a*
10 *natural person.*

11 *(3) EARNED WAGES.—*

12 *(A) IN GENERAL.—The term “earned*
13 *wages” means salary, wages, compensation, or*
14 *other income that a consumer or an employer*
15 *has represented and that an earned wage access*
16 *provider has reasonably determined have been*
17 *earned or have accrued to the benefit of the con-*
18 *sumer in exchange for the services provided by*
19 *the consumer, but that have not yet been paid to*
20 *the consumer by an employer.*

21 *(B) SERVICES PROVIDED.—Services pro-*
22 *vided by the consumer to the employer include*
23 *any services provided—*

24 *(i) on an hourly, project-based, piece-*
25 *work, or other basis; or*

1 (ii) when the consumer is acting as a
2 contractor of the employer.

3 (4) *EARNED WAGE ACCESS SERVICES.*—The term
4 “earned wage access services” means the delivery of
5 earned wages to a consumer based on—

6 (A) employment, income, or attendance
7 data provided by the employer of such consumer
8 or a payroll service vendor contracted by the em-
9 ployer of such consumer; or

10 (B) representations made by the consumer
11 and the reasonable determination of the earned
12 proceeds of such consumer by an earned wage ac-
13 cess provider.

14 (5) *EARNED WAGE ACCESS PROVIDER.*—

15 (A) *IN GENERAL.*—The term “earned wage
16 access provider” means a person who provides
17 earned wage access services to consumers.

18 (B) *EXCLUSIONS.*—The term “earned wage
19 access provider” does not include—

20 (i) a person who is not obligated to
21 provide access to earned wages as part of an
22 earned wage access service;

23 (ii) an employer that offers a portion
24 of salary, wages, or compensation earned by

1 *a consumer directly to such consumer prior*
2 *to a normally scheduled pay date;*

3 *(iii) a financial institution that per-*
4 *mits a consumer to access amounts associ-*
5 *ated with an electronic fund transfer from*
6 *the employer of the consumer for which the*
7 *financial institution has received informa-*
8 *tion but which has not yet settled; or*

9 *(iv) a payroll service vendor that fa-*
10 *cilitates payments to a consumer of wages*
11 *earned by such consumer.*

12 (6) *PAYROLL SERVICE VENDOR.*—*The term “pay-*
13 *roll service vendor” means a vendor contracted by an*
14 *employer to facilitate payment of employee wages in*
15 *accordance with Federal, State, and local law, includ-*
16 *ing the Fair Labor Standards Act of 1938.*

17 (7) *VOLUNTARY PAYMENT.*—*The term “voluntary*
18 *payment” means any payment voluntarily made by*
19 *a consumer to an earned wage access provider when*
20 *accessing earned wage services, including a tip, gra-*
21 *tuity, or donation.*

22 (d) *RULE OF CONSTRUCTION.*—*Voluntary payments*
23 *and any fees paid by a consumer to an earned wage access*
24 *provider may not be construed to be a “finance charge” as*
25 *such term is defined in the Truth in Lending Act.*

1 **SEC. 3. CONFORMING AMENDMENTS.**

2 *Section 103 of the Truth in Lending Act (15 U.S.C.*
3 *1602) is amended—*

4 *(1) in subsection (f), by striking “defer its pay-*
5 *ment” and inserting “defer its payment, but does not*
6 *include earned wage access services as defined in the*
7 *Earned Wage Access Consumer Protection Act”; and*

8 *(2) in subsection (g), by adding at the end the*
9 *following: “The term creditor does not include earned*
10 *wage access providers as such term is defined in the*
11 *Earned Wage Access Consumer Protection Act.”.*

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