

January 20, 2025

TO: House Industry, Business, and Labor Committee
State Capitol
Room JW327C
Bismarck, ND

FROM: Tara Rider
Brigit
36 W 20th Street
New York, New York 10011

RE: House Bill 1393: Oppose

Chairman Warrey, Vice Chairmans Johnson and Ostlie, and members of the committee,

My name is Tara Rider and I am the Vice President of Policy and Government Relations for Brigit, a financial wellness company that offers earned wage access (“EWA”) as one of the many features in our suite of services to consumers in North Dakota and across the country. In North Dakota we serve over 10,000 consumers with an average earned wage access transfer amount of \$75.00. In addition to earned wage access, Brigit offers its customers a subscription based suite of services that include products such as identity theft protection, credit monitoring, credit building, and budgeting tools to help our customers reach financial independence.

HB 1393 as written establishes a licensing framework that the industry has long supported, however, there are several key provisions in the legislation that would improperly classify earned wage access as pay day loans which are fundamentally different from earned wage access. In 2017, under the Obama Administration, the Consumer Financial Protection Bureau exempted EWA from the payday lending rules¹ due to the characteristics of the earned wage access programs. In addition to

¹ Bureau of Consumer Financial Protection 2 CFR Part 1041, <https://www.federalregister.gov/d/2017-21808/p-1004>

²How Much Money Do Americans Have in their Bank Accounts in 2024?, Olya Gabriella, https://www.gobankingrates.com/banking/banks/how-much-money-do-americans-have-in-their-bank-accounts-in-2024/?hyperlink_type=mannual

³ Stress in America, American Psychological Association, February 11, 2024, <https://www.apa.org/news/press/releases/stress/2013/stress-report.pdf>

⁴ Based on a 2023 survey of Brigit members.

incorrectly classifying the product, the legislation would place access limitations on consumers, and levy unnecessary database reporting burdens on providers. California, South Carolina, Wisconsin, Nevada, Missouri, and Kansas have all established regulatory and statutory requirements for data sharing and reporting with regulators. Consumers utilize earned wage access as a liquidity solution between pay cycles, ultimately helping them avoid the endless cycle of debt and incurring late fees. Placing access limitations on consumers will only drive your constituents to high cost and potentially predatory products.

As I stated earlier, HB 1393 would place earned wage access in the same category as payday lending, which mischaracterizes the product at its core. Unlike a payday loan or a traditional credit product, earned wage access requires no credit checks, does not apply interest, incurs no late fees or penalties, is non-recourse, and does not impact a user's credit score. Unlike payday lenders, EWA providers do not allow more than one earned wage access transfer at a time and do not pursue collections of EWA payments. At Brigit we recognize that an unforeseen bill or emergency may arise near a withdrawal date—we offer flexible withdrawal dates and extensions should a customer need that option.

Brigit offers its customers access to earned wage access transfers at no cost with overdraft protections in place. With our average earned wage access transfer of \$75.00 in North Dakota, there is no need for a costly database to track a customer's choice to access a small portion of their unpaid income prior to their scheduled paycheck. Payday lenders are required to report to databases to ensure that a consumer does not have multiple large payday loans at once, which may exceed the amount of their next paycheck based on a variety of factors. With earned wage access, consumers are not able to access wages that have not yet been earned.

In addition to a no-cost option for earned wage access, Brigit's customers are able to access financial wellness tools that include credit monitoring, credit building identity theft protection, budgeting tools, and financial literacy content via a low-fee monthly subscription that includes access to earned wage access transfers at no additional cost. These tools and resources have been exceptionally successful in enabling our

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customers to have a clear path out of living paycheck to paycheck and into financial wellness and independence. Over 83% of Brigit customers report that they feel less financially stressed while 72% of our customers report that they are able to perform better at work when utilizing our platform.⁴

In a society that is becoming increasingly difficult to afford, Brigit's offerings are a true lifeline to those in need. In a recent 2024 study, 49% of working Americans have less than \$500 in savings and are living paycheck to paycheck², leaving many in situations where they do not have enough funds in the event of an emergency or to regularly pay bills on time. Earned wage access services, like those offered by Brigit, allow for consumers to access the funds that they have earned, but have not yet been paid. This innovative and customer-centric product bridges the gap between payday and bill due dates, alleviating stress and anxiety approximately 71% of Americans are struggling with.³

Thank you for your time and I look forward to working with you on efforts to create a responsible framework in North Dakota for earned wage access providers. I urge you to render a no vote on HB 1393 to allow your constituents to continue to access the wages they have earned as needed.

Sincerely,

Tara Rider

VP, Policy and Government Relations
Brigit

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