The 194th General Court of the Commonwealth of Massachusetts

2025-2026

Bill Summary

Bill No: H1119

Title: An Act relative to financial technology service

Sponsor: Representative Mark Cusack

Committee: Financial Services

Hearing Date: April 15, 2025

Reporting Date: June 14th, 2025

Similar Matters: N/A

Prior History: 2023-2024 H4456 Study

Current Law:
Adding new language after Chapter 140F

Summary:
Earned Wage Access ("EWA") is regulated by federal consumer protection laws including Unfair, Deceptive, or Abusive Acts ("UDAAP"), Know Your Customer ("KYC"), which prevents financial fraud, and Gramm, Leach, Bliley Act ("GLBA"), which regulates privacy for financial institutions. Only a few states have regulated EWA on the state level. Nevada was the first state to regulate EWA and require licensure for providers. Nevada is a super majority Democratic legislature, and was passed overwhelmingly. The Nevada bill (SB 290) was later adopted as a Council of State Governments model law. This legislation is based on this Nevada model bill.

This legislation would stipulate that:

● EWA providers must offer their customers at least one no-cost option for receiving advances.

● EWA must be provided on a non-recourse basis, so 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.

● EWA providers must clearly communicate with consumers regarding when they will be asked to repay advanced funds. If a company debits a bank account before the repayment date, an overdraft, the company must reimburse for the cost of it.

- EWA providers must register with and submit annual data to the Massachusetts Commissioner of Banks