March 18, 2025

TO: Commerce & Consumer Protection Committee

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

RE: SF 2216, Earned Wage Access; Oppose

Chair Klein, Ranking Minority Leader Dahms, 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 a direct to consumer, earned wage access service across the country. Earned wage access is a small dollar liquidity solution for consumers to access their earned, but unpaid wages before their regularly scheduled paycheck at no cost, or for a low voluntary expedited transfer fee. Consumers across the country are seeing increased costs for everyday goods and services; earned wage access enables consumers to not have to make the choice between paying bills on time and incurring late fees or purchasing groceries or gasoline to get to work, or even paying a co-pay for a doctor's visit for themselves or their children. Brigit helps alleviate the stress of these financial decisions and allows our customers to have financial independence.

SF 2216 as currently drafted would create a licensing requirement that industry supports, however it would incorrectly categorize earned wage access as a loan and subject the product to an annual percentage rate (APR), which is not an accurate or meaningful calculation for a low, voluntary fee, on a days-long transaction. California, South Carolina, Nevada, Missouri, and Kansas have all established regulatory and statutory requirements that do not subject the product to an APR and have data sharing and reporting with regulators under a licensing or registration regime. In addition, in 2017, under the Obama Administration, the Consumer Financial Protection Bureau exempted EWA from the payday lending rules.

SF 2216 effectively prohibits earned wage access and puts Minnesotans' financial well being at risk by eliminating a service that they have relied on for several years. Brigit currently serves approximately 75,000 consumers in Minnesota with an average transaction amount of $72. Our earned wage access service is available at no cost to consumers, with a low optional $1.99 expedited transfer fee. Unlike payday loans and traditional credit, earned wage access does not require credit checks; is non-recourse–meaning it does not have to be repaid; does not utilize third party collection services; and does not report to credit bureaus for late or missed payments. Brigit only allows for one outstanding transaction at a time to ensure consumers are not over-extending themselves and offers flexible repayment options–we understand that some customers may need additional time due to an unforeseen expense.

Brigit also provides a bona fide group of services via a low monthly subscription fee that includes services like identity theft protection, credit monitoring, a 0% APR credit builder loan, budgeting and financial literacy tools and an earn and save platform. These subscriptions are not required to access earned wage access and can be canceled at any time. Brigit does not offer a subscription based service solely for earned wage access as many opponents of the earned wage access product may represent.

We would love to work with the legislature on meaningful consumer protections that keep the bad actors at bay and allow responsible providers to continue to operate in the state.

Thank you again for your time and I look forward to working with you on creating a responsible framework for earned wage access in Minnesota.

Sincerely,

Tara Rider

VP, Policy and Government Relations
Brigit