



The Honorable Matt Klein, Chair
Commerce & Consumer Protection Committee
Minnesota Senate
2105 MN Senate Building
St. Paul, MN 55155

The Honorable Gary Dahms, Ranking Minority Member
Commerce & Consumer Protection Committee
Minnesota Senate
2219 MN Senate Building
St. Paul, MN 55155

Re: SF2216, Article 4 (Earned Wage Access Regulation)

Dear Chair Klein, Ranking Minority Member Dahms, and Committee Members,

Exodus Financial Services (dba Exodus Lending) expresses strong support for the Earned Wage Access provisions in SF2216. As the only nonprofit in Minnesota that offers refinancing of predatory consumer debt at 0% interest, we see firsthand the ways in which these products harm Minneotans and their families.

The majority of our program participants who have used EWA products report difficulty ending the use of these products, stacking advances from multiple lenders during the same pay period, and increased overdraft fees as a result of using EWA products. Without a TILA disclosure, consumers struggle to understand the true costs associated with a complex system of fees and tips.

Earned Wage Access (EWA) products are loans. The Minnesotans that come to us for refinancing refer to them as “payday loans” and that’s in fact exactly the way these products often operate - as a debt trap that leaves consumers worse off than when they first turned to them for help. Lenders should not be allowed to disguise 300% APR loans in so-called “tips,” expedite fees or other junk fees, or by claiming that their loans are not loans. Advances of wages or other income, repaid later, are loans regardless of how they are styled and advertised. All payday advances need clear cost and fee disclosures.

EWA products aren’t an innovation - these are small dollar consumer loans and should be regulated as such.

Thank you for the opportunity to provide support for the EWA provisions found in SF2216.

Anne Leland, Executive Director