

**Dyson, Araceli@DFPI**

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**From:** Muhammad Ammad Raja <[REDACTED]>  
**Sent:** Friday, May 12, 2023 2:44 PM  
**To:** DFPI Regulations  
**Cc:** Fairman, Peggy@DFPI  
**Subject:** An Appeal for EarnIn and Earned Wage Access Providers

Dear California Regulators,

I hope this message finds you well. I am reaching out as a concerned citizen about a recent [notice](#) from the State of California that could have a significant impact on EarnIn and other providers of Earned Wage Access (EWA).

If this decision is passed, EWA services would be categorized under California's lending laws. While I understand the importance of regulations to protect consumers, I believe this classification does not accurately represent the unique services that companies like EarnIn offer.

Unlike traditional lenders, EWA providers advance funds based on wages that customers have already earned, not on future income. These services do not impose finance charges, interest, or legal recourse, which are key features of credit products that often disadvantage consumers. Many users appreciate this service because of these distinctions.

Regulating EWAs as short-term loans would not only limit these companies' ability to serve their customers effectively but also undermine consumer choice. The proposed law would consider tips as fees and cap them at 5%, pushing these providers towards a fixed fee model, which would be a departure from the **consumer choice** model that has worked well for many users.

I urge you to reconsider this decision. EarnIn and other EWA providers do not sell data, charge interest, or engage in collections like traditional lenders. Their current business model, centered around voluntary tips, may not be sustainable if forced into the lending framework.

EWA providers have made a positive impact over the past decade, providing access to over **\$15 billion** in earned wages nationwide and helping over **276,000 customers in California** navigate financial challenges between paydays. By doing so, they have saved **California community members an estimated \$117 million in overdraft fees in just the last year.**

I kindly request you to consider the significant value these services offer and the potential negative consequences that could ensue from their misclassification. Let us support responsible innovation instead of forcing new ideas into outdated categories.

Thank you for your time and consideration.

Sincerely,

Ammad Raja