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Earned Wage Access: Exploring the CFPB's Proposed Interpretive Rule

Payments Pros – The Payments Law Podcast

SPEAKERS

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In this special crossover episode of *Payments Pros* and *The Consumer Finance Podcast*, Carlin McCrory, Keith Barnett, and Chris Willis are joined by Jason Cover and Mark Furletti to discuss the Consumer Financial Protection Bureau's (CFPB) proposed interpretive rule on earned wage access (EWA) products. EWA allows employees to access wages they have earned before payday, with two main models: employer-integrated and direct-to-consumer. The conversation explores the differences between EWA and payday lending, emphasizing that EWA typically does not involve finance charges or obligations to repay.

The podcast explains the CFPB's proposed interpretive rule, which replaces the 2020 guidance that was more favorable to the industry. The new rule would classify EWA products as credit under the Truth in Lending Act (TILA), requiring additional disclosures. The discussion also covers the CFPB's stance on expedited funding fees and tips, which they argue should be considered finance charges.

The group discusses the CFPB's approach, noting potential challenges and the lack of justification for the proposed rule. They encourage market participants to submit comments before the August 30 deadline to address flaws in the CFPB's analysis.

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