



**Department of Banking Issues Extension of No-Action Position Regarding
Application of Public Act 23-126 to Earned Wage Access Advances**

September 22, 2023

On September 11, 2023, the Department of Banking (“Department”) issued [industry guidance](#) regarding P.A. 23-126, An Act Concerning Various Revisions to the Banking Statutes, and the need for licensure pursuant to Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes (“Small Loan Lending and Related Activities Act”) by entities seeking to engage in small loan activities. Pursuant to the authority set forth in Section 36a-1-8 of the Regulations of Connecticut State Agencies, the Department hereby issues this supplemental guidance to assist industry participants seeking to provide earned wage access advances¹.

Earned Wage Access Advances

The Department understands that there are a variety of business models related to “earned wage access” products and services and invites providers to contact the Department with any fact specific questions. Indeed, the Department is engaged in dialogue with several providers regarding whether their activities are covered by the Small Loan Lending and Related Activities Act.

No-Action Position

Pursuant to Section 36a-1-8 of the Regulations of Connecticut State Agencies, the Commissioner will not take enforcement action alleging unlicensed activity in violation of Section 36a-556(a) of the Small Loan Lending and Related Activities Act against a person engaged in providing earned wage access advances that, as a result of P.A. 23-126, requires licensure for small loan activities effective October 1, 2023, so long as such person has filed an application for small loan company licensure in Connecticut on the Nationwide Multistate Licensing System and Registry on or before January 1, 2024.

In addition, the Commissioner will not take enforcement action alleging violation of Section 36a-558(a) of the Small Loan Lending and Related Activities Act, as amended by P.A. 23-126, against a person engaged in providing earned wage access advances for such violations occurring prior to January 1, 2024.

¹As used herein, “earned wage access advance” means an advance of money on wages or salary that has been earned but not yet paid, where the borrower pays any fee, charge or amount deemed to be a finance charge pursuant to Section 36a-555(2) as amended by P.A. 23-126.

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