

SB 1396 -- Redline

APP Joint Favorable to Chaptered -- AN ACT CONCERNING EARNED BUT UNPAID WAGE OR SALARY INCOME ADVANCES.

Deletions ~~struck~~ · Insertions underlined

~~General Assembly~~ Substitute Senate Bill No.

1396 ~~January Public Session, Act 2025 No.~~ AN ACT CONCERNING EARNED BUT UNPAID WAGE OR SALARY INCOME ADVANCES.

25-155 AN ACT CONCERNING EARNED BUT UNPAID WAGE OR SALARY INCOME ADVANCES.

As used in this section, [and] sections 36a-556 to 36a-573, inclusive, and section ~~23~~ of this act:

(A) A charge set forth in 32 CFR 232.4(c)(1), as amended from time to time, (B) a charge for any ancillary product, membership or service sold in connection or ~~concurrent with a small loan, (C) any amount offered or agreed to by a~~ LC0 1 of 12 Substitute Senate Bill No.

1396 concurrent with a small loan, (C) any amount offered or agreed to by a borrower in furtherance of obtaining credit or as compensation for the use of money, and (D) any fee, voluntarily or otherwise, charged, agreed to or paid by a borrower in connection or concurrent with a small loan] finance charge shall be included;

(3) ~~"Bona fide office services" (A) means a financial location benefit, other product than or the service main provided office to where the licensee, or any person on behalf of a Connecticut borrower that has demonstrable market value and for which the Connecticut licensee, borrower will may be separately billed in the absence of a membership or subscription, engage and in (B) activities includes, that but require is a not small limited loan to, license; identity theft protection, credit monitoring and budgeting software;~~

~~[(3)]~~ (4) "Branch Connecticut office borrower" means any borrower who resides in or maintains a location domicile other in than this state and who (A) negotiates or agrees to the main terms office of where the small loan in person, by mail, by telephone or via the licensee, Internet while physically present in this state, (B) enters into or any executes person a on small behalf loan of agreement with the licensee, lender will in engage person, by mail, by telephone or via the Internet while physically present in activities this that state, require or (C) makes a small payment on the loan license; in this state.

~~[(4)]~~ (5) "Connecticut borrower" means any borrower who resides in or maintains a domicile in this state and who (A) negotiates or agrees to the terms of the small loan in person, by mail, by telephone or via the Internet while physically present in this state, (B) enters into or executes a small loan agreement with the lender in person, by mail, by telephone or via the Internet while physically present in this state, or (C) makes a payment on the loan in this state.

~~[(5)]~~ (5) (6) "Control person" means an individual that directly or indirectly exercises control over another person, and includes any person that (A) is a director, general partner or executive officer, (B) in the case of a corporation, directly or indirectly has the right to vote ten per cent or more of a class of any voting security or has the power to sell or direct the sale of ten per cent or more of any class of voting securities, LC0(C) 2 in the case of 12a Substitute limited Bill liability No. company, is a managing member, or (D) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten per cent or more of the capital.

~~1396 For (C) purposes in the case of a this limited subdivision, liability "control" company, means is the a power, managing directly member, or (D) in the case indirectly, of a partnership, has the right to receive direct upon dissolution, Public or Act has No. contributed, ten per cent or more of the capital.~~

~~For 25-155 purposes 2 of this 14 subdivision, Substitute "control" Senate means Bill the No. power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise;~~

~~(7) 1396 "Earned but unpaid wage or salary income" means the wage, management salary, compensation or other policies income of earned on an hourly, project-based, piecework or other basis by a Connecticut company, borrower whether for through the ownership provision of labor securities, or services to, or on behalf of, an employer, which (A) is owed by the contract employer but has not yet been paid to the Connecticut borrower, and (B) has been verified by an earned but unpaid wage or salary otherwise; income advance provider;~~

~~(8) (6) "Earned but unpaid wage or salary income income" advance" means a the small wage, loan salary, that compensation is or other income earned on an advance hourly, to project-based, piecework or other basis by a Connecticut borrower for earned the but provision unpaid of wage labor or salary services income to, in or an on original behalf principal of, amount an that employer, which (A) is not greater than the amount of earned but unpaid wage or salary income owed for by any the particular employer pay but period; has not yet been paid to the Connecticut borrower, and (B) has been verified by an earned but unpaid wage or salary income advance provider;~~

~~(9) (7) "Earned but unpaid wage or salary income advance advance" provider" means any a person small loan~~

that ~~engages in an~~ advance to a Connecticut borrower of the ~~earned activities but set~~ unpaid ~~forth~~ wage or salary income in ~~subsection (a) original of principal section~~ amount 36a-556 that with ~~this~~ regardless to ~~than an~~ seven hundred fifty dollars and not greater than the amount of earned but unpaid wage or salary income ~~advance; for any particular pay period;~~

~~(10)(8) "Employer" "Earned means (A) an employer, as defined in section 31-58, who employs a Connecticut borrower and is obligated to pay the Connecticut borrower earned but unpaid wage or salary income, income or advance (B) provider" means any other person who, that engages in exchange any for of the provision activities of set services forth to, in or subsection on (a) behalf of of, section such 36a-556 person with by regard to Connecticut borrower acting as an independent contractor, is contractually obligated to pay earned but unpaid wage or salary income to advance; the Connecticut borrower;~~

~~(11)(9) "Finance" "Employer" charge" means means: (A) an employer, as defined in section 31-58, who employs a Connecticut borrower and is obligated to pay the Connecticut borrower earned but unpaid wage or salary income, or (B) any other person who, in exchange for the provision of services to, or on behalf of, such person by a Connecticut borrower acting as an independent contractor, is contractually obligated to pay earned but unpaid wage or salary income to the Connecticut borrower;~~

~~(A)(10) A "Finance charge" charge" set means: forth in 32 CFR 232.4(c)(1), as amended from time to time, (B) a charge for any ancillary product, membership or service sold in connection or concurrent with a LCO 3 of 12 Substitute Bill No.~~

~~1306(A) small A loan, charge (C) set any forth amount in offered 32 or CFR agreed 232.4(c)(1), to as by amended a from Connecticut time borrower to in time, furtherance (B) of a obtaining charge credit or as compensation for the any use ancillary of money, product, and (D) any membership fee, voluntarily or otherwise, service charged, agreed sold to in connection or paid concurrent by with a Connecticut small borrower loan, in (C) connection any amount offered or concurrent agreed with to by a small Connecticut loan; Public Act No.~~

~~[(6)] 25-155 (12) 3 "Generating leads" means (A) engaging in the business of selling 14 leads Substitute for Senate small Bill loans, No. (B) generating or augmenting leads for small loans for other persons for or with the expectation of compensation or gain, or (C) referring consumers to other persons for a small loan for or with the expectation of compensation or gain for such referral, except "generating leads" shall not include generating or augmenting leads for small loans for an exempt person, as described in subsection (b) of section 36a-557, using the exempt person's data or customer information;~~

~~(13) 1396 "Independent borrower contractor" in has furtherance the of same obtaining meaning credit or as provided compensation for the use of money, and (D) any fee, voluntarily or otherwise, charged, agreed to or paid by a Connecticut borrower in section connection 36a-485; or concurrent with a small loan;~~

~~[(7)] [(6)] (14) (11) "Lead" "Generating leads" means any (A) information engaging identifying in a the potential business consumer of selling leads for small loans, (B) generating or augmenting leads for small loans for other persons for or with the expectation of compensation or gain, or (C) referring consumers to other persons for a small loan; loan for or with the expectation of compensation or gain for such referral, except "generating leads" shall not include generating or augmenting leads for small loans for an exempt person, as described in subsection (b) of section 36a-557, using the exempt person's data or customer information;~~

~~[(8)] (12) (15) "Independent Main contractor" office" has means the main same address meaning designated as on provided the in system; section 36a-485;~~

~~[(9)] [(7)] (16) (13) "Open-end Lead" small means loan any has information the identifying same a meaning potential as consumer "open-end of credit", a as small defined loan; in 12 CFR 1026.2, as amended from time to time;~~

~~[(10)] [(8)] (17) (14) "Person" "Main office" means a the natural main person, address corporation, designated company, on limited the liability system; company, partnership or association;~~

~~[(11)] [(9)] (18) (15) "Small Open-end small loan" (A) has means any loan of money or extension of credit, or the purchases same of, meaning or as an "open-end advance credit", of as money defined on, in a 12 borrower's CFR future 1026.2, potential as source amended off from money, time including to but time; not limited to, future pay, salary, earned but unpaid wage or salary income, pension income or a tax refund, if (i) the amount or value is fifty thousand dollars or less, and (ii) the APR is greater than twelve per cent, and (B) does not include LCO 4 of 12 Substitute Bill No.~~

~~1306 [(10)] (i) (16) a "Person" retail means installment contract made in accordance with section 36a-772, (ii) a loan natural or person, extension corporation, of company, credit limited for liability agricultural, company, commercial, partnership industrial or governmental association; use, (iii) a residential mortgage loan, as defined in section 36a-485, [or] (iv) an open-end credit account that is accessed by a credit card issued by an exempt entity, as described in subdivision (1) of subsection (b) of section 36a-557, or (v) a wage, as defined in section 31-58, paid by an employer directly to an employee prior to a regular pay day in accordance with title 31;~~

~~[(12)] [(11)] (19) (17) "Trigger Small lead loan" (A) means any consumer loan report of obtained money pursuant to extension Section of 604(C)(1)(B) credit, or for the Fair purchase Credit of, Reporting or Act, an 15 advance USC of 1681b, money whereon, the a issuance borrower's future potential source of the money, report including, is but triggered not by limited and to, inquiry future made pay, with salary, earned but unpaid~~

wage or salary income, pension income or a ~~consumer tax reporting refund, agency if in (i) response the~~
~~to amount and application value for is credit, fifty thousand dollars or less, Public Act No.~~
~~25-155 4 of 14 Substitute Senate Bill No.~~

~~1396 and (ii) the APR is greater than twelve per cent, and (B) does not include (i) a retail installment contract made in accordance with section 36a-772, (ii) a loan or extension of credit for agricultural, commercial, industrial or governmental use, (iii) a residential mortgage loan, as defined in section 36a-485, [or] (iv) an open-end credit account that is accessed by a credit card issued by an exempt entity, as described in subdivision (1) of subsection (b) of section 36a-557, or (v) a wage, as defined in section 31-58, paid by an employer directly to an employee prior to a regular pay day in accordance with the provisions of title 31;~~

~~[(12)] (18) "Trigger lead" means a consumer report obtained pursuant to Section 604(C)(1)(B) of the Fair Credit Reporting Act, 15 USC 1681b, where the issuance of the report is triggered by an inquiry made with a consumer reporting agency in response to an application for credit.~~

and [(13)] ~~(20)~~ (19) "Unique identifier" means a number or other identifier assigned by protocols established by the system.

~~(NEW) (Effective October 1, 2025) (a) An earned but unpaid wage or salary income advance provider required to be licensed under sections 36a-555 to 36a-573, inclusive, of the general statutes, as amended by this act, shall:~~

~~(1) Develop and implement policies and procedures to respond to questions and complaints from Connecticut borrowers in an expedient manner;~~

~~(2) Offer each Connecticut borrower at least one option per transaction to obtain an earned but unpaid wage or salary income advance at no cost and clearly explain how to elect to utilize such no-cost option with respect to any offer of an earned but unpaid wage or salary income advance;~~

~~(3) If the provider charges or receives a finance charge, offer each Connecticut borrower who the provider approves to receive an earned LCO 5 of 12 Substitute Bill No.~~

~~1396 but unpaid wage or salary income advance from such provider an earned but unpaid wage or salary income advance in an amount equal to not less than seventy-five per cent of the amount of the Connecticut borrower's earned but unpaid wage or salary income for the pay period;~~

~~(4) Prior to offering or providing a Connecticut borrower an earned but unpaid wage or salary income advance:~~

~~(A) Fully and clearly disclose to the borrower all finance charges associated with the earned but unpaid wage or salary income advance;~~

~~(B) Inform the borrower that the borrower may submit complaints concerning the provider to the Department of Banking via the department's Internet web site and provide a link to such Internet web site;~~

~~and (C) Verify that the borrower's earned but unpaid wage or salary income does not exceed the amount of the earned but unpaid wage or salary income advance by using (i) payroll data of the borrower's employer, (ii) electronic payroll data that the borrower affirmatively authorizes the provider to access, or (iii) any other method approved by the Banking Commissioner;~~

~~(5) Clearly explain the provider's cancellation procedure to Connecticut borrowers and allow such borrowers to cancel the earned but unpaid wage or salary income advance application, service, subscription or program at any time without incurring a fee;~~

~~(6) Clearly and conspicuously disclose to the Connecticut borrower, for each time that the provider solicits, charges or receives a finance charge purporting to be voluntarily charged, agreed to or paid, that:~~

~~(A) Such borrower may elect a finance charge of zero dollars;~~

~~(B) The finance charge is voluntary;~~

~~and (C) The amount and frequency of the earned but unpaid wage or salary income advances that a borrower is eligible to request or receive LCO 6 of 12 Substitute Bill No.~~

~~1396 are not contingent on whether the borrower pays or agrees to the voluntary finance charge or whether the borrower has previously paid a finance charge;~~

~~(7) Reimburse a Connecticut borrower the full amount of any overdraft or nonsufficient funds fee imposed on the borrower by the borrower's depository institution that is caused by the provider attempting to seek payment of any earned but unpaid wage or salary income advance amount or finance charge on a date before the payment date disclosed to the borrower or in an amount other than the payment amount disclosed to the borrower;~~

~~and (8) Schedule payment of any earned but unpaid wage or salary income advance amount, or finance charge, in a single payment on a date that (A) corresponds to the date of the Connecticut borrower's next scheduled employer paycheck or direct deposit payment, and (B) is not more than thirty-four days after the provider provides the earned but unpaid wage or salary income advance to the borrower.~~

~~(b) An earned but unpaid wage or salary income advance provider required to be licensed under sections~~

~~36a-555 to 36a-573, inclusive, of the general statutes, as amended by this act, shall not:~~

- ~~(1) Share with an employer any portion of a finance charge;~~
- ~~(2) Require a credit report, credit score or other credit-related information to determine the eligibility of a Connecticut borrower for an earned but unpaid wage or salary income advance;~~
- ~~(3) Accept payment for an earned but unpaid wage or salary income advance or finance charge from a Connecticut borrower by means of a credit card or charge card;~~
- ~~(4) Charge a late fee, deferral fee, interest or any other penalty or charge for the failure to pay for an earned but unpaid wage or salary income advance or finance charge;~~
- ~~(5) Report to a consumer reporting agency or consumer collection LCO 7 of 12 Substitute Bill No. 1396 agency any information about a Connecticut borrower regarding nonpayment for any earned but unpaid wage or salary income advance or finance charge;~~
- ~~(6) Compel or attempt to compel payment by a Connecticut borrower for any earned but unpaid wage or salary income advance or finance charge through any of the following means:~~
 - ~~(A) The use of unsolicited outbound telephone calls;~~
 - ~~(B) A lawsuit against a borrower in any court in any jurisdiction;~~
 - ~~(C) The use of a third party to pursue collection from a borrower on the provider's behalf;~~
 - ~~or (D) The sale of an outstanding amount to a consumer collection agency, as defined in section 36a-800 of the general statutes, for collection from a borrower;~~
- ~~(7) Charge or receive a total finance charge in excess of the amount permitted by subdivision (1) of subsection (d) of section 36a-558 of the general statutes, as amended by this act;~~
- ~~(8) Include any voluntary finance charge amount greater than zero dollars as a default option offered to a Connecticut borrower;~~
- ~~(9) Solicit a voluntary finance charge prior to informing the Connecticut borrower of how much earned but unpaid wage or salary income such borrower is approved to request;~~
- ~~or (10) Request payment for an earned but unpaid wage or salary income advance or finance charge from a Connecticut borrower prior to the date of the borrower's next scheduled employer paycheck or direct deposit payment.~~

~~Sec.~~

~~3.~~

~~LCO (a) 8 Except as provided in subsection (c) of 12 section Substitute 36a-557, Bill No. person licensed or required to be licensed under section 36a-556 shall engage in any of the activities described in subsection (a) of section 36a-556 for any small loan that contains any condition or provision inconsistent with the requirements in subsections (d) to (g), inclusive, of this section or section of this act.~~

~~1396 (b) (a) No Except as provided in subsection (c) of section 36a-557, no person licensed exempt or from required licensure to be licensed under section 36a-556 36a-557 shall engage in any of the activities described in of subsection (a) the of section 36a-556 for activities any described small loan that in contains any subdivision condition or (4), provision inconsistent (5) with the requirements in subsections (d) to (g), inclusive, of this section or section (6) 2 of this Public act. Act No.~~

~~(b) 25-155 No 5 person exempt from licensure under section 36a-557 shall engage in any of the 14 activities Substitute described Senate in Bill subdivision No. (4), (5) or (6) of subsection (a) of section 36a-556 for any small loan made by a person who was licensed or who was required to be licensed under section 36a-556 that contains any condition or provision inconsistent with the requirements in subsections (d) to (g), inclusive, of this section or section 2 of this act.~~

~~(c) 1396 (1) subsection Except (a) as of the section result 36a-556 e for a any bona small fide loan error made or by a set person forth who in was subdivision (2) of this subsection, any licensed small loan described in subsection or (a) who or was (b) required o to this be licensed under section 36a- that contains any condition or provision inconsistent with the requirements requirements in subsections (d) to in (g), inclusive, of this section subsections (d) to (g), inclusive, of this section or section 2 of this act act. shall not be enforced in this state.~~

~~(c) (1) Except as the result of a bona fide error or as set forth in subdivision (2) of this subsection, any small loan described in subsection (a) or (b) of this section that contains any condition or provision inconsistent with the requirements in subsections (d) to (g), inclusive, of this section or section 3 of this act shall not be enforced in this state.~~

~~(3) For the purposes of this subsection, the term "bona fide error" includes, but is not limited to, clerical, calculation and computer malfunction, programming and printing errors, but does not include an LCO error 9 of 12 legal Substitute judgment Bill with No. respect to a person's obligations under sections 36a-555 to 36a-573, inclusive, as amended by this act, or under regulations implemented pursuant to section 36a-573.~~

~~1396 error of legal judgment with respect to a person's obligations under sections 36a-555 to 36a-573, inclusive, as amended by this act, or under regulations implemented pursuant to section 36a-573.~~

~~(1) Public (A) Act For No. a small loan that is under five thousand dollars, except for an earned but~~

~~unpaid wage or salary income advance, an APR that exceeds the lesser of thirty-six per cent or the maximum annual percentage rate for interest that is permitted with respect to the consumer credit extended under the Military Lending Act, 10 USC 987, as amended from time to time, or for a small loan that is between five thousand and fifty thousand dollars, an APR that exceeds twenty-five per cent;~~
~~or 25-155 (B) 6 For of an 14 earned Substitute but Senate unpaid Bill wage No. or salary income advance, a total finance charge that exceeds (i) five dollars per advance, or (ii) if the advance is part of a suite of bona fide services included in a membership or subscription, thirty dollars per thirty-day period;~~

1396 (1) (A) For a small loan that is under five thousand dollars, except for an earned but unpaid wage or salary income advance, an APR that exceeds the lesser of thirty-six per cent or the maximum annual percentage rate for interest that is permitted with respect to the consumer credit extended under the Military Lending Act, 10 USC 987, as amended from time to time, or for a small loan that is between five thousand and fifty thousand dollars, an APR that exceeds twenty-five per cent;

or (B) For an earned but unpaid wage or salary income advance, a total finance charge that exceeds (i) four dollars per advance, or (ii) thirty dollars per month;

LC0 (8) 10 A waiver of 12 participation Substitute in Bill a No. class action or a provision requiring a borrower, whether acting individually or on behalf of others similarly situated, to assert any claim or defense in a nonjudicial forum that:

~~1396 (8) A waiver of participation in a class action or a provision requiring a borrower, whether acting individually or on behalf of others similarly situated, to assert any claim or defense in a nonjudicial forum that:~~

or (B) limits any claim or defense the borrower Public may Act have; No.

25-155 7 of 14 Substitute Senate Bill No.

1396 borrower may have;

or (11) Fees or charges of any kind, except as expressly permitted by subsection (e) of this section or allowed under subparagraph (B) of subdivision (1) of this subsection and section 23 of this act.

(e) [Small] Except as provided in section 23 of this act, small loans as described in subsections (a) and (b) of this section may contain provisions:

(4) Allowing for the accrual of interest after the maturity date or the deferred maturity date, provided such interest shall not exceed twelve LC0 per 14 cent of per 12 annum Substitute computed Bill on a daily basis on the respective unpaid Public Act No.

~~1396 25-155 per 8 cent of per 14 annum Substitute computed Senate on Bill a No. daily basis on the respective unpaid balances;~~

1396 balances;

~~This Sec. act shall take effect as follows and shall amend the following sections:~~

~~Section 3. 1 October 1, 2025 36a-555 Sec.~~

2 (NEW) (Effective October 1, 2025 2025) New (a) section An Sec. earned but unpaid wage or salary income advance provider required to be licensed under sections 36a-555 to 36a-573, inclusive, of the general statutes, as amended by this act, shall:

3 (1) October Offer 1, each 2025 Connecticut 36a-558 (a) borrower who the provider approves to (e) receive BA an Joint earned Favorable but Subst. unpaid wage or salary income advance at least one option per transaction to receive such advance at no cost and clearly disclose the procedure for electing to receive such advance at no cost;

~~-LC0 (2) APPIf Joint the Favorable provider LC0 charges 12 or of receives 12 a finance charge:~~

(A) Offer each Connecticut borrower, who the provider approves to receive an earned but unpaid wage or salary income advance, (i) an earned but unpaid wage or salary income advance in an amount equal Public Act No.

25-155 9 of 14 Substitute Senate Bill No.

1396 to not less than seventy-five per cent of the amount of the Connecticut borrower's earned but unpaid wage or salary income for the pay period, or (ii) not more than one earned but unpaid wage or salary income advance for the pay period;

and (B) Clearly and conspicuously disclose to the Connecticut borrower, for each time that the provider solicits, charges or receives a finance charge purporting to be voluntarily charged, agreed to or paid, that:

(i) The finance charge is voluntary;

(ii) such borrower may elect a finance charge of zero dollars;

and (iii) the amount and frequency of the earned but unpaid wage or salary income advances that a borrower is eligible to request or receive are not contingent on whether the borrower pays or agrees to the voluntary finance charge or whether the borrower has previously paid a finance charge;

(3) Prior to offering or providing a Connecticut borrower an earned but unpaid wage or salary income advance;

(A) Fully and clearly disclose to the borrower:

(i) Any finance charge associated with the earned but unpaid wage or salary income advance;

(ii) the provider's cancellation procedure;

(iii) that the borrower may submit complaints concerning the provider to the Department of Banking via the department's Internet web site;

and (iv) a link to such Internet web site;

(B) Verify that the borrower's earned but unpaid wage or salary income meets or exceeds the amount of the earned but unpaid wage or salary income advance by using (i) payroll data of the borrower's employer, (ii) electronic payroll data that the borrower affirmatively authorizes the provider to access, or (iii) any similar data or other reasonable method approved by the Banking Commissioner;

and (C) Require the borrower to attest that the borrower understands that the borrower may not receive more than one earned but unpaid wage Public Act No.

25-155 10 of 14 Substitute Senate Bill No.

1396 or salary income advance from more than one earned but unpaid wage or salary income advance provider on the basis of the same earned but unpaid wage or salary income, or to provide a similar attestation approved by the Banking Commissioner;

(4) Schedule the repayment of any earned but unpaid wage or salary income advance amount, or finance charge, in the form of a single repayment on a date that corresponds to the date of the Connecticut borrower's next scheduled paycheck or direct deposit payment from such borrower's employer and is not more than thirty-four days after the provider provides the earned but unpaid wage or salary income advance to the borrower, except that if such repayment is not made on such date due to a request by the borrower to reschedule the payment, lack of the borrower's available paycheck or direct deposit payment funds or payroll or similar error, the provider shall reschedule such repayment in the form of not more than three installments on any subsequent date or dates agreed to by the borrower at the time when the borrower agrees to the earned but unpaid wage or salary income advance;

(5) Reimburse each Connecticut borrower the full amount of any overdraft or nonsufficient funds fee imposed on the borrower by the borrower's depository institution that is caused by the provider attempting to seek repayment of any earned but unpaid wage or salary income advance amount or finance charge on a date before the repayment date disclosed to the borrower or in an amount other than the repayment amount disclosed to the borrower;

(6) Make readily available to each Connecticut borrower, in electronic form, the following information:

(A) For each earned but unpaid wage or salary income advance provided to the borrower during the preceding twelve months, (i) the date of the earned but unpaid wage or salary income advance;

(ii) the Public Act No.

25-155 11 of 14 Substitute Senate Bill No.

1396 amount of any finance charge;

and (iii) the amount of the earned but unpaid wage or salary income advance;

and (B) The total amount of (i) all earned but unpaid wage or salary income advances that the borrower has received for the current pay period, if any;

(ii) all finance charges for such advances, if any;

and (iii) all earned but unpaid wage or salary income for the current pay period that has not been advanced to the borrower, if any;

(7) Allow each Connecticut borrower to cancel any earned but unpaid wage or salary income advance application, service, subscription or program at any time without incurring a fee;

(8) Implement measures to prevent an earned but unpaid wage or salary income advance from being provided to a Connecticut borrower who has previously received an earned but unpaid wage or salary income advance from another earned but unpaid wage or salary income advance provider on the basis of the same earned but unpaid wage or salary income, including, but not limited to, the following measures:

(A) The establishment and implementation of policies and procedures requiring a review and analysis of data in the possession and control of the provider at least once every six months to identify any instance or pattern involving a Connecticut borrower receiving more than one earned but unpaid wage or salary income advance from more than one earned but unpaid wage or salary income advance provider for a single pay period, which totaled more than the borrower's earned but unpaid wage or salary income amount for such pay period;

and (B) Any similar measures the commissioner may require;

and (9) Develop and implement policies and procedures to respond to questions and complaints from Connecticut borrowers in an expedient manner.

Public Act No.

25-155 12 of 14 Substitute Senate Bill No.

1396 (b) An earned but unpaid wage or salary income advance provider required to be licensed under

sections 36a-555 to 36a-573, inclusive, of the general statutes, as amended by this act, shall not:

(1) Charge or receive a total finance charge in excess of the amount permitted by subdivision (1) of subsection (d) of section 36a-558 of the general statutes, as amended by this act;

(2) Solicit a voluntary finance charge prior to informing the Connecticut borrower of how much earned but unpaid wage or salary income such borrower is approved to request;

(3) Set any voluntary finance charge in an amount greater than zero dollars as the default option offered to a Connecticut borrower;

(4) Share with an employer any portion of a finance charge paid by a Connecticut borrower;

(5) Request repayment for an earned but unpaid wage or salary income advance or finance charge from a Connecticut borrower prior to the date of the borrower's next scheduled paycheck or direct deposit payment from such borrower's employer;

(6) Accept repayment for an earned but unpaid wage or salary income advance or finance charge from a Connecticut borrower by means of a credit card or charge card;

(7) Charge a late fee, a deferral fee, interest or any other penalty or charge for the late repayment of, or failure to repay, an earned but unpaid wage or salary income advance or for the late payment of, or failure to pay, a finance charge;

(8) Compel or attempt to compel repayment by a Connecticut borrower for any earned but unpaid wage or salary income advance or finance charge through any of the following means:

Public Act No.

25-155 13 of 14 Substitute Senate Bill No.

1396 (A) The use of unsolicited outbound telephone calls;

(B) A lawsuit against the borrower in any court in any jurisdiction;

(C) The use of a third party to pursue collection from the borrower on the provider's behalf;

or (D) The sale of an outstanding amount to a consumer collection agency, as defined in section 36a-800 of the general statutes, for collection from the borrower;

(9) Require a credit report, credit score or other credit-related information to determine the eligibility of a Connecticut borrower for an earned but unpaid wage or salary income advance;

or (10) Report to a consumer reporting agency, as described in Section 603(p) of the Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time, or consumer collection agency any information about a Connecticut borrower regarding nonpayment for any earned but unpaid wage or salary income advance or finance charge.

Governor's Action:

Approved July 8, 2025 Public Act No.

25-155 14 of 14