



American Fintech Council Testimony

TO: The Senate Committee on Financial Institutions and Insurance  
FROM: Hon. Phil Goldfeder, CEO, American Fintech Council  
DATE: February 8, 2024  
SUBJECT: House Bill 2105

***Position: Support.***

***Testimony:***

Thank you Chair Longbine, Vice-Chair Fagg, and members of the Senate Committee on Financial Institutions and Insurance for providing me the opportunity to submit testimony in support of House Bill 2105 (HB 2105). My name is Phil Goldfeder, and I am the CEO of the American Fintech Council (AFC). As a former member of the New York State Legislature, I understand the importance of crafting legislation that adequately protects consumers while ensuring they receive the essential services and access they need.

During my time as a member of the New York State Assembly, it was crucial to ensure that my constituents could live their lives in strong mental, physical and financial health. As legislators, we are quick to answer the most important call to action: ensuring the families we represent are protected from harm and have the tools and resources they need to thrive in our communities and state. Every day, the families we represent are faced with new challenges that require strong and concise action for me in Albany, NY and for you, in Topeka.

Our mission at AFC is to promote an innovative, transparent, inclusive, and customer-centric financial system by supporting responsible innovation in financial technology (Fintech) and encouraging sound public policy. AFC members are at the forefront of fostering competition in consumer finance and pioneering ways to better serve underserved consumer segments and geographies. We proudly represent the largest Earned Wage Access companies serving millions of consumers and families across the United States.

As part of AFC's efforts to ensure EWA services effectively serve consumers, we established clear standards for providers that require strong fee disclosures represented in a clear and transparent manner; a voluntary no cost free option be made available to all users; and the ability for users to cancel the EWA service at any time. The provisions of HB 2105 closely reflect the standards we established for responsible EWA services.

We believe that the bill, as written, properly balances responsible innovation with a pragmatic, consumer protected regulatory framework that fits the EWA industry. This new legislation establishes clear standards for acceptable EWA services regulated under its registration regime in a manner that reflects the nuances and optionality of the EWA industry while also protecting consumers from irresponsible actors.

Establishing the regulatory framework enumerated in HB 2105 will allow EWA services to flourish in Kansas and help workers access the pay they are entitled to when they need it. AFC has publicly advocated for a clear and consistent regulatory framework for EWA that avoids duplicative or diverging requirements and accurately reflects the nuances of the financial service. Passing HB 2105 would ensure that this regulatory aim is met in Kansas and directly benefit Kansans by giving EWA providers a clear and functional regulatory path to offer their services most effectively.

In closing, I applaud the Kansas legislature for taking up this issue in a timely manner and seeking a pragmatic solution through HB 2105. I thank you again for the opportunity to offer my support for this bill. I appreciate your consideration of this bill and we are happy to answer any questions you may have.