CHAPTER 203

EARNED WAGE ACCESS SERVICES

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203.01 Definitions. In this chapter:

(1) "Business entity" means any corporation, limited liability company, partnership, association, or other commercial entity.

(2) "Consumer" means an individual who resides in this state.

(3) "Consumer-directed wage access services" means the business of delivering to consumers access to earned but unpaid income that is based on the consumer's representations and the provider's reasonable determination of the consumer's earned but unpaid income.

(4) "Division" means the division of banking.

(5) "Earned but unpaid income" means salary, wages, compensation, or other income that a consumer or an employer has represented, and that a provider has reasonably determined, has been earned or accrued to the benefit of the consumer in exchange for the consumer's provision of services to the employer or on behalf of the employer, including on an hourly, project-based, piecework, or other basis and including circumstances in which the consumer is acting as an independent contractor of the employer, but has not, at the time of the payment of proceeds, been paid to the consumer by the employer.

(6) "Earned wage access service" means the business of providing consumer-directed wage access services or employer-integrated wage access services, or both.

(7) (a) Except as provided in par. (b), "employer" means any of the following:

1. A person who employs a consumer.

2. Any other person who is contractually obligated to pay a consumer earned but unpaid income in exchange for the consumer's provision of services to the employer or on behalf of the employer including on an hourly, project-based, piecework, or other basis and including circumstances in which the consumer is acting as an independent contractor with respect to the employer.

(b) "Employer" does not include any of the following:

1. A customer of an employer.

2. Any other person whose obligation to make a payment of salary, wages, compensation, or other income to a consumer is not based on the provision of services by that consumer for or on behalf of the person.

(8) "Employer-integrated wage access services" means the business of delivering to consumers access to earned but unpaid income that is based on employment, income, or attendance data obtained directly or indirectly from an employer.

(9) (a) Except as provided in par. (b), "fee" includes any of the following:

1. A fee imposed by a provider for delivery or expedited delivery of proceeds to a consumer.

2. A subscription or membership fee imposed by a provider for a bona fide group of services that include earned wage access services.

(b) "Fee" does not include a voluntary tip, gratuity, or other donation.

(10) "Licensee" means a business entity that is licensed by the division under s. 203.03 (1) as an earned wage access services provider.

(11) "Nationwide mortgage licensing system and registry" has the meaning given in 12 USC 5102 (6).

(12) "Outstanding proceeds" means proceeds remitted to a consumer by a provider that have not yet been repaid to the provider.

(13) "Proceeds" means a payment in U.S. dollars to a consumer by a provider that is based on earned but unpaid income.

(14) (a) Except as provided in par. (b), "provider" means a business entity that is in the business of providing earned wage access services to consumers.

(b) "Provider" does not include any of the following:

1. A service provider, such as a payroll service provider, whose role may include verifying the available earnings but that is not contractually obligated to fund proceeds delivered as part of an earned wage access service.

2. An employer that offers a portion of salary, wages, or compensation directly to its employees or independent contractors prior to the normally scheduled pay date.

History: 2023 a. 131.

203.02 Powers of the division. (1) The division may issue any general or special order in execution of or supplementary to this chapter.

(2) The division may promulgate such rules as it considers necessary for the administration of this chapter.

(3) The division has the same power to conduct hearings, take testimony, and secure evidence as is provided in s. 217.11.

(4) The division for the purpose of discovering violations of this chapter may investigate the business of a licensee that is transacted under this chapter and shall investigate convictions reported to the division by any district attorney for violation by a provider of this chapter. The place of business, if any, books of account, papers, records, safes, and vaults of a licensee shall be open to inspection and examination by the division for the purpose of such investigation, and the division may examine under oath all persons whose testimony the division may require relative to such investigation.

(5) The cost of any investigation, examination, or hearing, including witness fees or any other expenses, conducted by the division under this chapter involving a provider shall be paid by the provider within 30 days after demand therefor by the division, and the state may maintain an action for the recovery of such costs and expenses.

(6) Actual costs incurred by the division to examine books and records maintained outside this state shall be paid by the provider.

History: 2023 a. 131; 2025 a. 133.

203.03 Licensure. (1) (a) Subject to par. (b), a provider, including a provider that is not physically located in this state, may not provide earned wage access services in this state unless the provider has been issued a license by the division.

(b) This section does not apply to banks, savings banks, sav-

ings and loan associations, trust companies, credit unions, or any of their affiliates.

(2) A provider required to be licensed under sub. (1) shall apply to the division for a license on a form and in the manner prescribed by the division. The application shall include all of the following information:

(a) The name of the provider.

(b) The name under which the provider transacts business, if different from par. (a).

(c) The address of the provider's principal office, which may be outside this state.

(d) The addresses of all of the provider's offices or retail stores, if any, in this state.

(e) If the provider provides earned wage access services at a location that is not an office or retail store in this state, a brief description of the manner in which the provider provides earned wage access services.

(f) The address of the provider's designated agent upon whom service of process may be made in this state.

(g) The provider's federal employer identification number.

(h) Any other similar information the division requires to administer this chapter.

(3) In addition to the application under sub. (2), each licensee shall register with, and maintain a valid unique identifier issued by, the nationwide mortgage licensing system and registry.

(4) Each provider required to be licensed under sub. (1) shall update any information provided in its license application within 15 business days after a material change in that information.

(5) A provider that submits an application for a license under sub. (2) shall pay a nonrefundable fee to the division determined in accordance with rates set by the division. In setting the rates, the division shall determine the amount of fees needed to provide sufficient funds for the division to meet the budget requirements of administering and enforcing this chapter in each fiscal year.

(6) (a) A provider required to be licensed under sub. (1) shall file with the division, and maintain in force, a surety bond that is issued by a surety company admitted to do business in this state that meets all of the following requirements:

1. The bond is in an amount equal to $25,000.

2. The bond is in favor of the state for the benefit of any person that is damaged by a violation of this chapter.

3. The bond is in favor of any person that is damaged by a violation of this chapter.

(b) A person claiming against a bond described under this subsection for a violation of this chapter may maintain an action at law against the provider that obtained the bond and against the surety that issued the bond. The surety is liable only for actual damages and not for punitive damages. The aggregate liability of the surety to all persons damaged by a provider's violation of this chapter does not exceed the amount of the bond.

(7) (a) In this subsection:

1. "Applicant" means a provider that has submitted an application for a license under sub. (2).

2. "Director" means a member of the applicant's or licensee's board of directors.

3. Except in subd. 2., "member" means a person that has the right to receive upon dissolution, or has contributed, 10 percent or more of the capital of an applicant or licensee that is organized as a limited liability company or association.

4. "Officer" means a person who participates or has authority to participate, other than in the capacity of a director, in major policy-making functions of an applicant or licensee, whether or not the person has an official title. "Officer" includes the chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief credit officer, chief compliance officer, each executive vice president or senior vice president, and any other person meeting the standard under this subdivision.

5. "Partner" means a person that has the right to receive upon dissolution, or has contributed, 10 percent or more of the capital of an applicant or licensee that is organized as a partnership.

(b) Upon the filing of an application under sub. (2) and the payment of the fee required under sub. (5) by a provider, the division shall investigate the relevant facts. If the division finds that the character and general fitness and the financial responsibility of the provider, and the provider's partners if the provider is a partnership, the provider's members if the provider is a limited liability company or association, and the provider's officers and directors if the provider is a corporation, warrant the belief that the provider's business will be operated in compliance with this chapter, the division shall issue a license to the provider. If the division does not make the finding, the division shall deny the provider's application.

(8) The division may not issue a license under sub. (7) to a provider if any of the following applies:

(a) The provider fails to provide any information required under sub. (2).

(b) The department of revenue certifies under s. 73.0301 that the provider is liable for delinquent taxes.

(c) The department of workforce development certifies under s. 108.227 that the provider is liable for delinquent unemployment insurance contributions.

(9) A provider's license remains in force and effect until the division suspends or revokes the license in accordance with this chapter or the provider surrenders the license. A licensee shall, on or before each December 10, pay to the division the annual license fee established by the division for the next succeeding calendar year. The division may, by rule, provide for the reinstatement of expired licenses consistent with the standards established by the nationwide mortgage licensing system and registry.

(10) A provider may not assign a license, except as approved by the division or by operation of law in connection with a merger or conversion authorized under s. 178.1121, 178.1141, 179.1121, 179.1141, 180.1101, 180.1161, 183.1021, or 183.1041 or a similar law of this or another state.

(11) A provider shall conspicuously post its license at the provider's physical place of business, or, if the provider conducts business on a website, the provider shall post its license number on the website.

(12) The division shall keep confidential the information contained in an application for a license under sub. (2) and any information obtained during the division's investigation under sub. (7), and this information is not subject to public copying or inspection under s. 19.35 (1).

History: 2023 a. 131.

203.04 Provider requirements; limitations. (1) A provider required to be licensed under s. 203.03 (1) shall do all of the following:

(a) Develop and implement policies and procedures to respond to questions raised by consumers and address complaints from consumers in an expedient manner.

(b) Offer to the consumer at least one reasonable option to obtain proceeds at no cost to the consumer and clearly explain how to elect that no-cost option.

(c) Before entering into an agreement with a consumer for the provision of earned wage access services, do all of the following:

1. Inform the consumer of his or her rights under the agreement.

2. Fully and clearly disclose all fees associated with the earned wage access services.

(d) Inform the consumer of the fact of any material changes to the terms and conditions of the earned wage access services before implementing those changes for that consumer.

(e) Allow the consumer to cancel use of the provider's earned wage access services at any time, without incurring a cancellation fee or penalty imposed by the provider. If the consumer has initiated an advance of proceeds, the provider may require the effective date of the cancellation to be after the consumer has satisfied any repayment obligation the consumer has to the provider, either through payroll deduction, pre-authorized electronic funds transfer from a consumer's account or depository institution, or other means previously agreed to by the consumer and the provider. Nothing in this paragraph requires a provider to allow a consumer-initiated advance to be canceled, revoked, suspended, or reversed after the consumer initiates the advance.

(f) Comply with all local, state, and federal privacy and information security laws.

(g) If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer, the provider shall do all of the following:

1. Clearly and conspicuously disclose to the consumer immediately prior to each transaction that a tip, gratuity, or other donation amount may be zero and is voluntary.

2. Clearly and conspicuously disclose in its service contract with the consumer and elsewhere that tips, gratuities, or donations are voluntary and that the offering of earned wage access services, including the amount of proceeds a consumer is eligible to request and the frequency with which proceeds are provided to a consumer, is not contingent on whether the consumer pays any tip, gratuity, or other donation or on the size of the tip, gratuity, or other donation.

(h) Provide proceeds to a consumer by any means mutually agreed upon by the consumer and the licensee.

(i) If the provider will seek repayment of outstanding proceeds or payment of fees or other amounts owed, including voluntary tips, gratuities, or other donations, in connection with the activities covered by this chapter, from a consumer's account at a depository institution, including by means of electronic funds transfer, the provider shall do all of the following:

1. Comply with applicable provisions of the federal electronic fund transfer act, 15 USC 1693 to 1693r, and regulations adopted under the act.

2. Reimburse the consumer for the full amount of any overdraft or non-sufficient funds fees imposed on a consumer by the consumer's depository institution that were caused by the provider attempting to seek payment of any outstanding proceeds, fees, or other payments, in connection with the activities covered by this chapter, including voluntary tips, gratuities, or other donations, on a date before, or in an incorrect amount from, the date or amount disclosed to the consumer. However, the provider is not subject to the requirements in this subdivision with respect to payments of outstanding amounts or fees incurred by a consumer through fraudulent or other unlawful means.

(2) A provider required to be licensed under s. 203.03 (1) may not do any of the following:

(a) Share with an employer a portion of any fees, voluntary tips, gratuities, or other donations that were received from or charged to a consumer for earned wage access services.

(b) Require a consumer's credit report or a credit score provided or issued by a consumer reporting agency to determine a consumer's eligibility for earned wage access services.

(c) Accept payment of outstanding proceeds, fees, voluntary tips, gratuities, or other donations from a consumer by means of a credit card or charge card.

(d) Charge a late fee, deferral fee, interest, or any other penalty or charge for failure to pay outstanding proceeds, fees, voluntary tips, gratuities, or other donations.

(e) Report to a consumer reporting agency or debt collector any information about the consumer regarding the inability of the provider to be repaid outstanding proceeds, fees, voluntary tips, gratuities, or other donations.

(f) Compel or attempt to compel payment by a consumer of outstanding proceeds, fees, voluntary tips, gratuities, or other donations to the provider through any of the following means:

1. A suit against the consumer in a court of competent jurisdiction.

2. Use of a 3rd party to pursue collection from the consumer on the provider's behalf.

3. Sale of outstanding amounts to a 3rd-party collector or debt buyer for collection from the consumer.

(g) If the provider solicits, charges, or receives tips, gratuities, or other donations from a consumer, mislead or deceive consumers about the voluntary nature of the tips, gratuities, or donations or make representations that tips, gratuities, or other donations will benefit any specific individuals.

(h) Advertise, print, display, publish, distribute, or broadcast or cause to be advertised, printed, displayed, published, distributed, or broadcast, in any manner, any statement or representation with regard to the earned wage access services offered by the provider, which is false, misleading, or deceptive, or which omits to state material information that is necessary to make the statements therein not false, misleading, or deceptive.

(i) Charge a fee, as described in s. 203.01 (9) (a) 1., that exceeds the following:

1. For any advance of proceeds equal to or less than $75, $5, as adjusted under sub. (5).

2. For any advance of proceeds greater than $75, $7.50, as adjusted under sub. (5).

(3) The limitations set forth in sub. (2) (f) do not preclude the use by a provider of any of the methods specified in sub. (2) (f) to compel payment of outstanding amounts or fees incurred by a consumer through fraudulent or other unlawful means, nor do they preclude a provider from pursuing an employer for breach of its contractual obligations to the provider.

(4) A provider may use the mailing address provided by a consumer to determine the consumer's state of residence for purposes of this chapter.

(5) Beginning on January 1, 2030, and at 5-year intervals thereafter, the division shall adjust the maximum fees specified in sub. (2) (i) to reflect changes since April 5, 2026, in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor. Each adjustment under this subsection shall be published on the department of financial institutions website.

History: 2023 a. 131; 2025 a. 199.

203.06 Reporting requirements; books and records.

(1) On or before July 1 of each year, a provider required to be licensed under s. 203.03 (1) shall submit an annual report to the division that includes all of the following information related to earned wage access services the provider provided in this state during the prior year:

(a) Gross revenue attributable to those earned wage access services.

(b) The total number of transactions in which the provider provided proceeds to consumers.

(c) The total number of unique consumers to whom the provider provided proceeds.

(d) The total dollar amount of proceeds the provider provided to consumers.

(e) The total dollar amount of fees, voluntary tips, gratuities, or other donations the provider received from consumers.

(2) Failure by a provider to submit a timely report as required under sub. (1) is grounds for disciplinary action by the division.

(3) The division shall keep confidential the information contained in the annual report under sub. (1), and this information is not subject to public copying or inspection under s. 19.35 (1), but the division may prepare and make publicly available an aggregated and anonymized analysis of the information submitted by all providers under this section.

(4) A provider required to be licensed under s. 203.03 (1) shall keep such books and records that, in the opinion of the division, will enable the division to determine whether the provider is in compliance with this chapter. The provider shall retain records related to proceeds for at least 2 years following the date on which proceeds are provided. The provider may keep books and records at a place of business located outside this state if the provider is able to readily produce those books and records for review by the division upon reasonable request by the division.

History: 2023 a. 131.

203.07 Suspension or revocation of license. (1) The division may suspend or revoke a provider's license issued under s. 203.03 (7) if the division finds any of the following:

(a) That the provider violated any provision of this chapter, any rule promulgated under this chapter, or any lawful order of the division made under this chapter.

(b) That any fact or condition exists that, if it had existed at the time of the provider's original application for a license, would have warranted the division refusing to issue the license.

(c) That the provider made a material misstatement in an application for a license or in information furnished to the division.

(d) That the provider failed to pay the annual license fee or to maintain in effect the bond required under s. 203.03 (6).

(2) The division shall revoke a provider's license issued under s. 203.03 (7) if the department of revenue certifies under s. 73.0301 that the provider is liable for delinquent taxes. A provider whose license is revoked under this subsection for delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and a hearing under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing under this chapter.

(3) The division shall revoke a provider's license issued under s. 203.03 (7) if the department of workforce development certifies under s. 108.227 that the provider is liable for delinquent unemployment insurance contributions. A provider whose license is revoked under this subsection for delinquent unemployment insurance contributions is entitled to a notice under s. 108.227 (2) (b) 1. b. and a hearing under s. 108.227 (5) (a) but is not entitled to any other notice or hearing under this chapter.

(4) Except as provided in subs. (2) and (3), the division may not revoke or suspend a provider's license except after a hearing under this chapter.

History: 2023 a. 131.

203.08 Violations and enforcement. (1) The division may bring a civil action to restrain by temporary or permanent injunction a person from violating this chapter or rules promulgated under this chapter or to restrain a person from engaging in false, misleading, deceptive, or unconscionable conduct in connection with offering earned wage access services.

(2) The division may seek a temporary restraining order without written or oral notice to the adverse party. If a court finds that there is reasonable cause to believe that the respondent is engaged in the conduct sought to be restrained and that such conduct violates this chapter or rules promulgated under this chapter, the court may grant a temporary restraining order or any temporary relief the court determines is appropriate. A temporary restraining order granted without notice shall expire by its terms within a stated time after entry, not to exceed 30 days, as the court fixes, unless within this time it is extended by the court, or unless the party against whom the order is directed consents that it may be extended for a longer period. When a temporary restraining order is granted without notice, the motion for a preliminary injunction shall be set down for a hearing at the earliest possible time. Upon notice to the party who obtained the temporary restraining order without notice, the adverse party may appear and move its dissolution or modification, and, in this event, the court shall proceed to hear and determine such motion as expeditiously as the ends of justice require.

(3) The division may recover in a civil action from a person that violates this chapter or rules promulgated under this chapter a civil penalty of not less than $100 and not more than $1,000 for each violation.

(4) In addition to the amount to which the division is entitled under sub. (3), the division may recover in a civil action from a person that knowingly or willfully violates this chapter or rules promulgated under this chapter a civil penalty of not less than $1,000 and not more than $10,000 for each violation.

History: 2023 a. 131.

203.09 Applicability. Notwithstanding any other provision of law, ss. 422.201 to 422.310, 422.404, 422.407, 422.414, 425.106 (1) (a), 426.201 to 426.203, and 766.555 to 766.565 and ch. 427 do not apply to earned wage access services offered and provided by a licensee in compliance with this chapter.

History: 2025 a. 199.