



**Written Testimony of Kevin Lefton
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Before the Subcommittee on Digital Assets,
Financial Technology and Artificial Intelligence**

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Chairman Steil, Ranking Member Lynch, Chairman Hill, Ranking Member Waters and distinguished members of the Committee, thank you for your time today and for the invitation to speak about Earned Wage Access and its importance to consumers everywhere.

My name is Kevin Lefton, and I serve as the Global General Counsel of Stream. In this capacity, I oversee the legal, regulatory, compliance, and risk functions for our organization. Stream is an employer-integrated Earned Wage Access (EWA) provider operating across the United States, United Kingdom, the EU and Canada. In addition to EWA, we provide a comprehensive suite of financial well-being resources designed to enhance the financial health of our users.

I would like to thank the Committee for your leadership on this vital issue and for the opportunity to engage in a transparent dialogue regarding the benefits of EWA for both the American workforce and the employers who offer it.

The Distinction Between EWA and Traditional Credit

Stream, alongside many of our industry peers, remains a staunch advocate for thoughtful regulation that prioritizes consumer protection. We stand as an important, non-credit alternative to high-cost financial products that trap consumers into a cycle of debt.

It is a fundamental premise of my testimony today that EWA services do not constitute credit, are not loans, and should not be regulated as such. EWA is a critical tool for frontline and hourly workers in all industries, including healthcare, hospitality, manufacturing, and education, among many others.

By allowing employees to access wages they have already earned but have not yet been paid due to traditional bi-weekly or monthly payroll cycles, EWA provides a low-to-no-cost alternative to the high interest rates and high-cost fees of other financial products.

Employer-integrated EWA allows users to manage their financial lives more effectively. Specifically, the value proposition of employer-integrated EWA is twofold:

- For the Employee: EWA offers a non-recourse, interest-free mechanism to access their already earned wages on their timeline. It empowers workers to meet emergency expenses without resorting to high-cost alternatives.
- For the Employer: EWA is a powerful tool for recruitment and retention. Employers report increased shift-fill rates and enhanced worker productivity when employees have peace of mind that their earned wages are accessible on a same-day or next-day basis.

In order to ensure that Stream is providing a service that best serves all consumers, we routinely conduct both internal and external research. A 2025 survey of over 7,000 Stream users underscores the importance of EWA in maintaining financial stability. According to the data, Stream's tools prevented over 30% of users from incurring late fees and credit damage. More significantly, nearly 25% of respondents avoided a dire choice between basic nutrition and essential utility services because they were able to use Stream's services.

Earned Wage Access is Not Credit and is Not a Loan

We cannot talk about EWA without talking about the essential consumer-focused benefits and consumer protections of EWA – benefits and protections that are absent in credit and other high-cost products. EWA lacks all the hallmarks of traditional credit and loan products. Specifically, with Stream there is:

- Always a “free” option to use our service, and the nominal fee for instant access, should a consumer choose to use that feature, is typically lower than a standard ATM withdrawal fee, around \$3.00 - \$4.00;
- There is no interest;

- There is no underwriting - we do not pull credit reports or base access to EWA services on creditworthiness;
- There is no debt collection – we do not report to credit bureaus or engage in collections activity; and
- The service is truly non-recourse to the consumer, and no debit is ever incurred. If there is ever an issue, Stream does not go after the consumer. We do not sue them, and we do not report them to debt collections.

The arguments that are often presented against Earned Wage Access are fundamentally flawed because they conflate a non-recourse financial wellness tool with high-cost lending products. Labeling EWA as "credit" ignores the basic reality that workers are simply accessing capital they have already earned. Applying a traditional credit framework like an interest rate to a non-credit product is misleading, inaccurate, and ultimately not helpful to the millions of hard-working Americans who simply want the option of having access to their own wages so that they can manage their own money when they see fit.

Applying a traditional credit framework like APR to a flat, nominal transparent fee is misleading and creates a "false protection" that would effectively ban a low-cost or free service. These arguments do not protect consumers; they limit consumer options and force them back toward the very high-interest and high-cost fees of products and services that EWA was designed to eliminate.

Furthermore, the assertion that EWA harms consumers is not supported by the real experience of millions of employees. Unlike high-cost alternatives, Stream is integrated directly into the employer's payroll with built-in guardrails—such as fees caps and access caps—and is bundled with free tools such as a savings account and financial coaching. Restricting access to EWA services denies workers the right to financial liquidity and forces them to adhere to an arbitrary pay cycle that harms consumers every day.

Conclusion

In conclusion, a lot has been written about EWA, and there is a lot of misleading information out there, but here are the key takeaways I would like to leave you with about EWA as I close out my testimony:

- EWA is either free or has a nominal fee
- There is no interest
- There is no debt collection
- There is no underwriting
- EWA is a non-recourse service
- And most importantly, there is nothing wrong with allowing consumers to decide how and when they can access their money through a product and service that they want and like.

EWA represents a shift towards a more equitable financial system for hourly and frontline workers, allowing them to better plan for the future and manage life's emergencies with dignity.

We urge this Committee to support a framework that recognizes EWA as a critical, non-debt solution for the modern American worker.

Thank you for your time today and I look forward to your questions.