

Innovative Payments Association Applauds CFPB for Clarifying Earned Wage Access is a Non-Credit Product

IPA applauds the CFPB for clarifying earned wage access is not credit, protecting workers' access to earned wages while supporting innovation.

WASHINGTON, DC, UNITED STATES, December 22, 2025 / EINPresswire.com/ -- The [Innovative Payments Association](#) (IPA) praised the Consumer Financial Protection Bureau (CFPB) for issuing today's Advisory Opinion (AO) on Earned Wage Access (EWA). The AO delivers much-needed clarity on the fundamental nature of EWA products, how workers use them, and how federal law applies to them. The CFPB acknowledged that properly tailored EWA programs are not credit products.



"This clear statement from the CFPB is a win for workers, their employers, and EWA innovators alike," said Brian Tate, IPA President and CEO. "We thank Acting Director Vought and the CFPB for its common-sense approach to EWA. They have reaffirmed what millions of American workers already understand. EWA products are not loans because their wages are owed to them, and EWA products do not share characteristics with credit products. This clarification ensures that American workers can continue to safely access their earned wages without being pushed toward higher-cost alternatives."

The CFPB's EWA Advisory Opinion represents an important milestone for millions of American workers and the businesses that serve them. By recognizing that EWA allows employees to access wages they have already earned, the Bureau has affirmed a common-sense approach that protects consumers while supporting innovation and financial inclusion.

EWA products provide employees with the ability to access a portion of their earned income before payday, offering a responsible alternative to payday loans, overdraft fees, and other



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costly financial products. The CFPB’s recognition validates what industry leaders, bipartisan policymakers, and consumer advocates have long understood: that earned wage access is an income-smoothing tool, not a loan. In short, EWA provides consumers with a direct way to manage unexpected expenses by using their already-earned wages. Since paydays and bills don’t always align, EWA gives workers a crucial tool to manage their finances.

Since 2019, the IPA has been home to pioneering EWA providers who have worked diligently to inform regulators about the fundamental characteristics and profound benefits of earned wage access. “This clarification would not have been possible without the tireless dedication of our IPA members,” Tate emphasized. “Their efforts have not only helped provide American workers with crucial liquidity but have also saved them from millions of dollars in fees, truly making a contribution to workers’ financial wellness.”

Tate noted the AO was a first step in a new effort to ensure EWA products are regulated in a manner that protects workers and recognizes the fundamental characteristics of the products. “The IPA looks forward to working with regulators across the country and thanks pro-worker policymakers like Congressman Bryan Steil (R-WI) who continue to press for enduring statutory solutions.”

About the Innovative Payments Association (IPA)

The Innovative Payments Association is the leading voice of the electronic payments sector, representing companies offering prepaid, mobile, and emerging payment technologies to consumers, businesses, and governments. The IPA advocates for policies that promote financial inclusion, innovation, and consumer protection. Learn more at ipa.org or follow us on LinkedIn.

Heather McElrath

Innovative Payments Association

+1 202-642-0238

[email us here](#)

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