



Courts Reject Claims that Payday Loan Apps Don't Offer Loans

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Lenders pushing a [new app-based form of payday loan](#) claim they aren't offering loans and they shouldn't be covered by state or federal laws governing credit. However, to date, **ten out of ten courts** to rule on the issue have rejected industry arguments and found that wage advances offered through payday loan apps (so-called "earned wage access products") are credit covered by the Truth in Lending Act (TILA), the Military Lending Act (MLA), and/or state credit laws. The decisions have come from courts in California, Illinois, Maryland, Massachusetts, New York, Pennsylvania, and Washington and have covered several different payday loan apps.

1. ***Lowe v. MoneyLion Technologies Inc.*** — F.Supp.3d —, 2026 WL 654719 (SD NY Mar. 9, 2026) (denying motion to compel arbitration: "This court joins the many others across the nation in concluding that these early payday services constitute the extension of credit ...")
2. ***Moss v. Klover Holdings, Inc.***, 2026 WL 622653 (N.D. Ill. Mar. 5, 2026) (denying motion to dismiss: "this court adds its voice to the growing chorus of decisions that have concluded that similar cash advance programs constitute 'credit' within the meaning of the TILA and that tips and expedite fees, on facts similar to those alleged in the instant complaint, are plausibly alleged to constitute finance charges.")
3. ***Burrison v. FloatMe***, 2026 WL 444638 (D. Mass. Feb. 17, 2026) (denying motion to compel arbitration and rejecting argument that FloatMe app did not plausibly offer credit or charge a finance charge (the expedite fee) under TILA and the MLA)
4. ***Russell v. Dave***, — F.Supp.3d —, 2025 WL 3691977 (C.D. Cal. Dec. 12, 2025) (MLA applies to Dave app, denying motion to compel arbitration; Dave app offers credit under MLA, and overdraft fees, express fees, and tips are finance charges)
5. ***Revell v. Grant Money***, --- F.Supp.3d ---- 2025 WL 3167318 (N.D. Cal. Nov. 5, 2025) (Grant Money is credit under TILA and MLA, so MLA's ban on forced arbitration applies to claims under TILA, MLA and Georgia Payday Loan Act)
6. ***Vickery v. Empower Finance, Inc.***, 2025 WL 2841686 (N.D. Cal. Oct. 7, 2025) (Empower's earned wage cash advances were credit and instant access fees were finance charges under TILA and the Military Lending Act, and therefore MLA's ban on forced arbitration applied).
7. ***Moss v. Cleo AI***, 799 F.Supp.3d 1152 (W.D. Wash. Sept. 8, 2025) (plaintiff adequately pled that Cleo's advances are credit and its expedite fees and subscription fees are finance charges covered by TILA, as well as by the Military Lending Act's 36% rate cap and ban on forced arbitration)
8. ***Golubiewski v. Activehours***, 2025 WL 2484192 (M.D. Penn. Aug. 28, 2025) (plaintiff plausibly alleged that EarnIn offered credit covered by TILA and Pennsylvania usury statute)
9. ***Johnson v. Activehours***, 2025 WL 2299425 (D. Md. Aug. 8, 2025) (plaintiff plausibly alleged that EarnIn offered credit covered by TILA and Maryland law)
10. ***Orubo v. Activehours***, 780 F.Supp.3d 927 (N.D. Cal. 2025) (plaintiff plausibly alleged that EarnIn's advances were credit covered by TILA and by Georgia payday loan law).

For more details on legal claims involving payday loan apps, see this article by NCLC Senior Attorney Patrick Crotty, [Successful Challenges to Earned Wage Payday Loans](#) (updated March 2026).