



Department of Financial Services

Industry Guidance

Date: July 31, 2025

To: Buy-Now-Pay-Later Lenders, and Other Stakeholders

Re: Request for Information Regarding “Buy-Now-Pay-Later” Activities

Background

In May of 2025, New York State enacted the "Buy-Now-Pay-Later Act" (L.2025, c. 58, Part Y, New York Banking Law Article 14-B) (BNPL Act). This legislation provides for the licensing and supervision by the New York State Department of Financial Services (DFS) of buy now, pay later (BNPL) providers doing business with New York consumers. The legislation directs DFS to develop regulations to ensure these products are offered to New York consumers under fair and transparent terms. Consistent with its authority under Financial Services Law Sections 102 and 301 and its statutory examination authority, as applicable, in accordance with DFS's mission to develop and implement data-driven regulation and policy, and to avoid imposing undue burdens on either consumers or lenders, DFS is issuing this voluntary Request for Information. The Department appreciates all responses.

Voluntary Request for Information

DFS seeks responses to the following questions from entities whose activities may be covered by the BNPL Act and any other interested parties. DFS's goal in issuing this RFI is to understand the business models of entities offering BNPL products, fee structures of those products, the

underwriting process, and the impact that fee and interest limits may have on BNPL product underwriting and business more generally, among other topics.

The BNPL Act defines a “buy-now-pay-later loan” as “closed-end credit provided to a consumer in connection with such consumer’s particular purchase of goods and/or services, other than a motor vehicle as defined under section one hundred twenty-five of the vehicle and traffic law,” where consumers are defined as individuals who are residents of New York State. The definition of BNPL loan does not include such credit when “the creditor is the seller of such goods and/or services,” (i.e., a retailer that offers credit directly to a consumer) “unless it is credit pursuant to an agreement whereby, at a consumer’s request, the creditor purchases a specific good and/or service from a seller and resells such specific good and/or service to such consumer on closed-end credit.” Some examples of these products, are “pay-in-four” and “pay monthly” products, although they take other forms and may be no-interest or interest-bearing loans, to be repaid in one or more payments. Under the terms of the BNPL Act, BNPL lenders include those who extend this form of credit directly to consumers and those who “operate a platform, software or system with which a consumer interacts and the primary purpose of which is to allow third parties to offer buy-now-pay-later loans,” except that a person engaging in “isolated, incidental or occasional transactions” that otherwise meet the statutory definition is not considered a BNPL lender.

DFS aims to use data gathered through this RFI to help it develop and implement the regulations under the BNPL Act. DFS expects to refer to this data, aggregated and anonymized, in publications mandated by the State Administrative Procedure Act in the process of proposing and adopting regulations. A respondent may include with its response a request that DFS withhold designated portions of its submission from publication under the Freedom of Information Law (FOIL), Public Officers Law § 87(2)(d), pertaining to the protection of trade secrets or commercially sensitive information. If DFS receives a FOIL request for the submitted material, DFS expects to assert all applicable exemptions under FOIL and notify the submitter of any such request. Please note that if relying on an exemption to FOIL disclosure for confidentiality purposes, the respondent should seek the advice of counsel to ensure sufficiency.

DFS encourages respondents to be as specific as possible in their responses. Please include data and relevant materials wherever possible. Please access the Request for Information via [the Excel spreadsheet at this link](#). DFS seeks responses by August 29, 2025, to BNPL@dfs.ny.gov. Please state “Request for Information Regarding Buy Now Pay Later Lending” in the subject line.

If you have any questions about the above, please email BNPL@dfs.ny.gov.

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The Department of Financial Services supervises many different types of institutions. Supervision by DFS may entail chartering, licensing, registration requirements, examination, and more.

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Department of Financial Services

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