

Is a Buy Now, Pay Later (BNPL) Product Right For You?

With holiday shopping upon us, you may be finding that both in-store and online retailers are providing shoppers with even more options to pay for purchases. A product that appears to be increasing in usage is the Buy Now, Pay Later (BNPL) product.

Generally, BNPL allows a shopper to spread a purchase payment over four (4) or fewer installments. Unlike old layaway procedures retailers used in the past, the BNPL product allows shoppers to take their purchased items with them with the debt beginning with the purchase.



The BNPL product typically requires a down payment of 25% of the total purchase price at the time of the purchase and the rest is spread over installments that are interest free to be paid usually within six weeks (6 weeks). Know that late payments on a BNPL transaction may result in late charges that may be reported to the credit reporting services.

To learn more about the benefits and risks in using this product for your holiday shopping this season or at anytime, here is a link to a recent article published by the federal Consumer Financial Protection Bureau, or CFPB, issued [What is a Buy Now, Pay Later \(BNPL\) Loan?](#)

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