

119TH CONGRESS
1ST SESSION

S. 3561

To amend the Truth in Lending Act and the Consumer Financial Protection Act of 2010 to apply certain protections and oversight to buy now, pay later loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2025

Mr. REED (for himself, Mr. VAN HOLLEN, Mr. BLUMENTHAL, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Truth in Lending Act and the Consumer Financial Protection Act of 2010 to apply certain protections and oversight to buy now, pay later loans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Buy Now, Pay Later
5 Protection Act of 2025”.

1 **SEC. 2. APPLICATION OF THE TRUTH IN LENDING ACT TO**
 2 **BUY NOW PAY LATER LOANS.**

3 (a) IN GENERAL.—The Truth in Lending Act (15
 4 U.S.C. 1601 et seq.) is amended—

5 (1) in section 103 (15 U.S.C. 1602), by adding
 6 at the end the following:

7 “(ff) BUY NOW, PAY LATER LOAN.—The term ‘buy
 8 now, pay later loan’ means a closed-end consumer loan
 9 for a retail transaction that—

10 “(1) is repaid in not more than 4 interest-free
 11 installments; and

12 “(2) does not impose a finance charge.”;

13 (2) in section 127 (15 U.S.C. 1637)—

14 (A) in subsection (a), by striking “under
 15 an open end consumer credit plan” and insert-
 16 ing “under an open end consumer credit plan or
 17 a buy now, pay later loan” each place it occurs;
 18 and

19 (B) in subsection (b), by striking “under
 20 an open end consumer credit plan” and insert-
 21 ing “under an open end consumer credit plan or
 22 a buy now, pay later loan” each place it occurs;

23 (3) in section 170 (15 U.S.C. 1666i)—

24 (A) in the section heading, by striking
 25 “**RIGHTS OF CREDIT CARD CUSTOMERS.**”
 26 and inserting “**RIGHTS OF CREDIT CARD**

**CUSTOMERS AND BUY NOW, PAY LATER
LOAN CUSTOMERS.”;**

(B) in subsection (a)—

(i) by striking “a card issuer who has issued a credit card to a cardholder pursuant to an open end consumer credit plan” and inserting “a card issuer who has issued a credit card to a cardholder pursuant to an open end consumer credit plan or a creditor who has provided a buy now, pay later loan to a consumer”;

(ii) by striking “in which the credit card” and inserting “in which the credit card or buy now, pay later loan”;

(iii) by striking “honoring the credit card” and inserting “honoring the credit card or buy now, pay later loan” each place it occurs;

(iv) by striking “provided by the cardholder” and inserting “provided by the cardholder or consumer”;

(v) by striking “defenses against a card issuer” and inserting “defenses against a card issuer or creditor”;

1 (vi) by striking “is the same person as
2 the card issuer” and inserting “is the same
3 person as the card issuer or creditor”;

4 (vii) by striking “is controlled by the
5 card issuer,” and inserting “is controlled
6 by the card issuer or creditor,”;

7 (viii) by striking “common control
8 with the card issuer” and inserting “com-
9 mon control with the card issuer or cred-
10 itor”;

11 (ix) by striking “in the card issuer’s
12 products” and inserting “in the card
13 issuer’s or creditor’s products”;

14 (x) by striking “by the card issuer in
15 which” and inserting “by the card issuer
16 or creditor in which”; and

17 (xi) by striking “using the credit card
18 issued by the card issuer” and inserting
19 “using the credit card issued by the card
20 issuer or the buy now, pay later loan pro-
21 vided by the creditor”; and

22 (C) in subsection (b)—

23 (i) by striking “asserted by the card-
24 holder” and inserting “asserted by the
25 cardholder or consumer”;

1 (ii) by striking “at the time the card-
2 holder first notifies the card issuer or the
3 person honoring the credit card of such
4 claim or defense” and inserting “at the
5 time the cardholder or consumer first noti-
6 fies the card issuer or creditor or the per-
7 son honoring the credit card or buy now,
8 pay later loan of such claim or defense”;
9 and

10 (iii) by striking “the cardholder’s ac-
11 count” and inserting “the cardholder’s ac-
12 count or the consumer’s buy now, pay later
13 loan account”;

14 (4) in section 161 (15 U.S.C. 1666)—

15 (A) in subsection (a), in the matter pre-
16 ceding paragraph (1), by striking “in connec-
17 tion with an extension of consumer credit,” and
18 inserting “in connection with an extension of
19 consumer credit, including a buy now, pay later
20 loan,”; and

21 (B) in subsection (d), by striking “an open
22 end consumer credit plan” and inserting “an
23 open end consumer credit plan or a buy now,
24 pay later loan”; and

1 (5) in section 171(a) (15 U.S.C. 1666i–1), by
 2 striking “In the case of any credit card account
 3 under an open end consumer credit plan” and in-
 4 serting “In the case of any credit card account
 5 under an open end consumer credit plan or buy now,
 6 pay later loan”.

7 (b) RULEMAKING.—Not later than 1 year after the
 8 date of enactment of this Act, the Consumer Financial
 9 Protection Bureau shall issue such rules as the Bureau
 10 determines necessary to carry out the amendments made
 11 by subsection (a).

12 **SEC. 3. FEDERAL SUPERVISION OF BUY NOW, PAY LATER**
 13 **LOAN LENDERS.**

14 Section 1024(a)(1) of the Consumer Financial Pro-
 15 tection Act of 2010 (12 U.S.C. 5514(a)(1)) is amended—

16 (1) in subparagraph (D), by striking “; or” and
 17 inserting a semicolon;

18 (2) in subparagraph (E), by striking the period
 19 at the end and inserting “; or”; and

20 (3) by adding at the end:

21 “(F) offers or provides to a consumer a
 22 buy now, pay later loan, as defined in section
 23 103 of the Truth in Lending Act (15 U.S.C.
 24 1602).”.