*** § 746. Consumer protections.** 1. A buy-now-pay-later lender shall disclose or cause to be disclosed to consumers the terms of buy-now-pay-later loans, including, without limitation, the cost, such as interest and fees, repayment schedule, the means by which a consumer may dispute billing practices, whether the transaction will or will not be reported to a credit reporting agency, and other material conditions, in a clear and conspicuous manner. Disclosures shall comply with applicable federal regulations, including but not limited to regulation Z of title I of the Consumer Credit Protection Act.

2. Subject to regulations to be promulgated by the superintendent, a buy-now-pay-later lender shall, before providing or causing to be provided a buy-now-pay-later loan to a consumer, perform, or cause to be performed, reasonable risk-based underwriting. A buy-now-pay-later lender shall maintain or cause to be maintained policies and procedures for underwriting buy-now-pay-later loans, and shall disclose factors considered in such underwriting process, in a clear and conspicuous manner to the consumer. No buy-now-pay-later lender shall collect, evaluate, report, or maintain in the file on a borrower the credit worthiness, credit standing, or credit capacity of members of the borrower's social network for purposes of determining the credit worthiness of the borrower; the average credit worthiness, credit standing, or credit capacity of members of the borrower's social network; or any group score that is not the borrower's own credit worthiness, credit standing, or credit capacity.

3. A buy-now-pay-later lender shall maintain or cause to be maintained policies and procedures for maintaining accurate data that may be reported to credit reporting agencies. No buy-now-pay-later lender shall share consumer data in a manner inconsistent with this article and regulations promulgated thereto.

4. A buy-now-pay-later lender shall provide or cause to be provided refunds or credits for goods or services purchased in connection with a buy-now-pay-later loan, if the consumer requests and is entitled to a refund, in a manner that is fair, transparent, and not unduly burdensome to consumers. A buy-now-pay-later lender shall maintain or cause to be

maintained policies and procedures to provide such refunds or credits. Such policies and procedures shall be fair, transparent, and not unduly burdensome to the consumer. A buy-now-pay-later lender shall disclose or cause to be disclosed to consumers, in a clear and conspicuous manner, the process by which they can obtain refunds or credits for goods or services they have purchased in connection with a buy-now-pay-later loan.

5. A buy-now-pay-later lender shall resolve or cause to be resolved disputes in a manner that is fair and transparent to consumers. A buy-now-pay-later lender shall create or cause to be created a readily available and prominently disclosed method for consumers to bring a dispute to the buy-now-pay-later lender. A buy-now-pay-later lender shall maintain policies and procedures for handling consumer disputes. The superintendent may promulgate rules and regulations regarding treatment of unauthorized use, so that consumers are liable for use of buy-now-pay-later loans in their name only under circumstances where such liability would be fair and reasonable. A buy-now-pay-later lender shall apply to buy-now-pay-later loans the dispute rights and unauthorized charges requirements that apply to credit cards under the Truth in Lending Act, 15 U.S.C. § 1643, 1666, 1666a, 1666i, regardless of whether such law applies to buy-now-pay-later loans or whether the buy-now-pay-later lender offers a credit card within the scope of such law.

6. A buy-now-pay-later lender may use, sell, or share the data of a consumer, other than in connection with the making of a particular buy-now-pay-later loan to the consumer, only with the consumer's consent. A buy-now-pay-later lender shall disclose or cause to be disclosed to a consumer in a clear and conspicuous manner how such consumer's data may be used, shared, or sold by the buy-now-pay-later lender before obtaining such consumer's consent and also shall disclose or cause to be disclosed to such consumer in a clear and conspicuous manner how such consumer may subsequently withdraw consent to such use, sharing, or sale. The superintendent, in their discretion, may by regulation prohibit certain uses of consumer data. A buy-now-pay-later lender shall maintain policies and procedures regarding its use, sale,

and sharing of consumers' data. Nothing in this subdivision shall preclude a buy-now-pay-later lender from using information in accordance with the Fair Credit Reporting Act or furnishing credit reporting data to a credit reporting agency.

7. Any buy-now-pay-later loan made by a person not licensed or authorized under this article, other than an exempt organization, shall be void, and such person shall have no right to collect or receive any principal, interest or charge whatsoever.

8. Nothing in this section shall be construed to limit the obligations of a buy-now-pay-later lender to comply with any other applicable laws or regulations. Any protections, rights and remedies provided in this section to a consumer with respect to an agreement with a buy-now-pay-later lender shall be intended to supplement and not be exclusive of any protections, rights and remedies otherwise available pursuant to any other law or regulations.

* NB Effective upon the one hundred eightieth day after the promulgation of rules and/or regulations by the department of financial services to effectuate certain provisions (see Ch. 58 of 2025, Part Y, § 13)