



OFFICE OF THE ATTORNEY GENERAL  
CONNECTICUT

NORTH CAROLINA  
DEPARTMENT OF JUSTICE



Phone: +1 860-808-5400

December 1, 2025

**By Email and First Class Mail**

Affirm  
Max Levchin, CEO  
Katherine Adkins, Chief Legal Officer  
650 California Street, 12th Floor  
San Francisco, CA 94108  
[katherine.adkins@affirm.com](mailto:katherine.adkins@affirm.com)  
[mlevchin@affirm.com](mailto:mlevchin@affirm.com)

Re: *Buy Now, Pay Later*

To whom it may concern:

The undersigned State Attorneys General offices, led by Connecticut and North Carolina, are conducting an inquiry into the Buy Now, Pay Later (BNPL) market. This point-of-sale financing product has grown dramatically in recent years. BNPL options are now nearly ubiquitous at online checkout, and tens of millions of consumers report using these loans.<sup>1</sup>

State Attorneys General have previously raised concerns that, even as use of BNPL increases, BNPL companies might not provide their consumers with the same protections that have long applied to other credit products under federal and state law.<sup>2</sup> In May 2024, the Consumer Financial Protection Bureau (CFPB) issued an interpretive rule clarifying that providers of BNPL are generally credit card issuers under the federal Truth In Lending Act.<sup>3</sup> This rule would have ensured BNPL borrowers had the same rights and recourse as credit card users. In May of this year, the CFPB withdrew that interpretive rule. We are concerned that BNPL companies might not be providing their customers

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We are also concerned that BNPL providers may not adequately assess borrowers' capacity to repay their loans. The Federal Reserve recently found that the portion of BNPL borrowers falling behind has "increased sharply," to nearly one in four borrowers.<sup>4</sup>

Our inquiry seeks to better understand the impact of these and other related issues with BNPL on our states' residents, and whether BNPL providers may be in violation of applicable consumer protection laws.

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Please email your responses to [Michael.Wertheimer@ct.gov](mailto:Michael.Wertheimer@ct.gov), [Casey.Rybak@ct.gov](mailto:Casey.Rybak@ct.gov), [kchoksi@ncdoj.gov](mailto:kchoksi@ncdoj.gov), [jabram@ncdoj.gov](mailto:jabram@ncdoj.gov).

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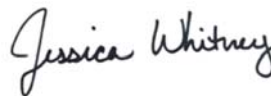
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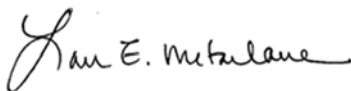
Martha Fulford  
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Chief, Consumer Protection Division  
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Laura E. McFarlane  
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PayPal  
Alex Chriss, CEO  
Bimal Patel, Chief Legal Officer  
2211 North First Street  
San Jose, CA 95131  
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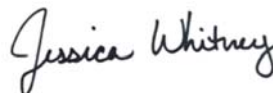
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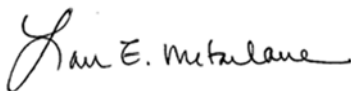
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Zip  
Joe Heck, CEO  
Linda Lu, Chief Legal and Risk Officer  
228 Park Ave S, PMB 59872  
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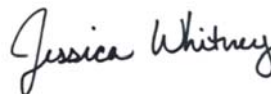
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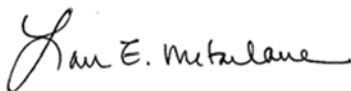
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Klarna  
Sebastian Siemiatkowski, CEO  
Deana Toner, US General Counsel  
800 N. High St, Ste. 400  
Columbus, OH 43215  
[Sebastian.Siemiatkowski@klarna.com](mailto:Sebastian.Siemiatkowski@klarna.com)  
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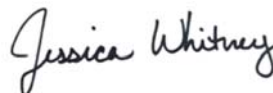
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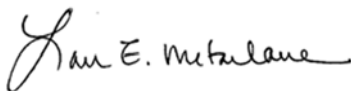
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OFFICE OF THE ATTORNEY GENERAL  
CONNECTICUT

NORTH CAROLINA  
DEPARTMENT OF JUSTICE



Phone: +1 860-808-5400

December 1, 2025

**By Email and First Class Mail**

Sezzle

Charlie Youakim, CEO

Candice Ciresi, Chief Legal Officer

700 Nicollet Mall, Suite 640

Minneapolis, MN 55402

[Charlie.Youakim@sezzle.com](mailto:Charlie.Youakim@sezzle.com)

[Candice.Ciresi@sezzle.com](mailto:Candice.Ciresi@sezzle.com)

Re: *Buy Now, Pay Later*

To whom it may concern:

The undersigned State Attorneys General offices, led by Connecticut and North Carolina, are conducting an inquiry into the Buy Now, Pay Later (BNPL) market. This point-of-sale financing product has grown dramatically in recent years. BNPL options are now nearly ubiquitous at online checkout, and tens of millions of consumers report using these loans.<sup>1</sup>

State Attorneys General have previously raised concerns that, even as use of BNPL increases, BNPL companies might not provide their consumers with the same protections that have long applied to other credit products under federal and state law.<sup>2</sup> In May 2024, the Consumer Financial Protection Bureau (CFPB) issued an interpretive rule clarifying that providers of BNPL are generally credit card issuers under the federal Truth In Lending Act.<sup>3</sup> This rule would have ensured BNPL borrowers had the same rights and recourse as credit card users. In May of this year, the CFPB withdrew that interpretive rule. We are concerned that BNPL companies might not be providing their customers

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<sup>1</sup> See Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2024 – May 2025*, <https://www.federalreserve.gov/publications/2025-economic-well-being-of-us-households-in-2024-banking-and-credit.htm> (15 percent of adults reported using BNPL in the prior 12 months); see also Matt Schulz, *BNPL Tracker: 41% of Users Late in Past Year, More Using Loan for Groceries*, LendingTree (updated Oct. 26, 2025), <https://www.lendingtree.com/personal/buy-now-pay-later-loan-statistics/> (finding 49 percent of respondents reported having used a BNPL loan).

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with appropriate protections when they return their purchase, never receive what they ordered, or experience other billing errors.

We are also concerned that BNPL providers may not adequately assess borrowers' capacity to repay their loans. The Federal Reserve recently found that the portion of BNPL borrowers falling behind has "increased sharply," to nearly one in four borrowers.<sup>4</sup>

Our inquiry seeks to better understand the impact of these and other related issues with BNPL on our states' residents, and whether BNPL providers may be in violation of applicable consumer protection laws.

To assist with this effort, please respond to the following inquiries within thirty (30) days of the date of this letter. Please limit the scope of your response to products offered at any time from January 2023 to present, and please provide state-level data where available.

1. Please describe each of your loan products, including their pricing (including any subscription-based pricing) and repayment structure, and what portion of your annual U.S. loan volume and revenue is derived from each.
2. Please describe your procedures for addressing consumers' disputes over purchases or billing and provide documents reflecting those procedures. Please also provide any internal analyses that (a) describe the number of consumers' disputes, the subject of the disputes, any policies or guidelines regarding how they are addressed, and within what timeframe; and (b) reflect the metrics you use to track such disputes.
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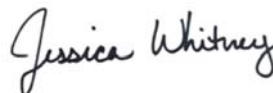
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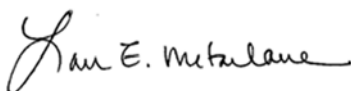
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OFFICE OF THE ATTORNEY GENERAL  
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Phone: +1 860-808-5400

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**By Email and First Class Mail**

Afterpay  
Jack Dorsey, CEO  
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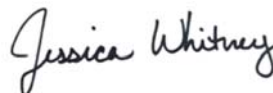
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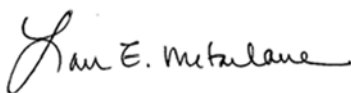
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