



Partner Eric Johnson comments for American Banker on buy now pay later payment option

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On July 6, the Consumer Financial Protection Bureau (CFPB) published a blog post explaining to consumers how buy now pay later (BNPL) credit products work in comparison with other credit products. *American Banker* reported that the CFPB's blog post did not criticize BNPL, but rather recommended that consumer assess their finances before using it. The Bureau also said that using BNPL does not strengthen credit scores, and in some cases, can negatively impact a consumer's credit history.

According to some observers, the Bureau's seemingly benign statement could signal that the CFPB is being positive towards the product. However, Hudson Cook Partner [Eric Johnson](#) noted that the post shows that the Bureau is starting to pay attention to the product, which could mean more oversight. "The CFPB felt concerned enough to warn consumers about it so it may be just a first step and it may mean they got a number of consumer complaints," said Eric.

The blog post was written by four authors, including Laura Udis, the CFPB's small dollar, marketplace and installment lending program manager. Udis is a former first assistant attorney general of Colorado, and a former senior advocate at the Consumer Federation of America. "She knows her way around the consumer credit code and consumer laws and that raises a heightened level of concern about this fairly innocuous blog post," Eric noted.

Subscribers to *American Banker* may [click here](#) to read the article.

Eric is a partner in Hudson Cook's Oklahoma City office. He assists national and state banks, savings associations, credit unions, mortgage bankers, other licensed lenders, motor vehicles dealers and automotive finance companies in the development and maintenance of nationwide consumer mortgage and automobile finance programs, online motor vehicle sales programs, litigation funding programs and electronic payment programs. He provides responses to regulator examinations and comments on proposed statutes and regulations to legislators and regulators, and assists financial services creditors with statutory and regulatory changes occasioned by the Dodd-Frank Act.

Eric and Partner [Justin Hosie](#) present monthly webinars on the previous month's CFPB rulemaking, enforcement actions, ongoing litigation, blog posts and other highlights. To register for the webinars or replay a recording, visit Hudson Cook's [2021 CFPB Bites of the Month](#) page.

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