

CFPB to Withdraw BNPL Interpretive Rule Amid Broader Agency Rollback

Article By:

A.J. S. Dhaliwal

Mehul N. Madia

Maxwell Earp-Thomas

The CFPB has announced plans to withdraw its May 2024 [interpretive rule](#) that subjected buy-now, pay-later (BNPL) products to regulations applicable to credit cards under the Truth in Lending Act (TILA). The move was revealed in court filing in the CFPB's ongoing litigation with a fintech-focused trade organization which challenged the rule as procedurally improper and ill-suited to short-term, interest-free BNPL loans.

The interpretive rule, issued under former Director Rohit Chopra, would have extended traditional credit card protections—such as dispute rights and refund guarantees—to BNPL offerings (previously discussed [here](#)). The parties jointly requested to stay the case pending revocation of the rule.

This shift comes as part of a broader reorientation of the CFPB under President Trump. Under the current administration, the Bureau has moved to pause or roll back a slew of enforcement and rulemaking efforts initiated during the Biden administration (previously discussed [here](#), [here](#), and [here](#)).

Putting It Into Practice: The CFPB's withdrawal of the BNPL interpretive rule signals a lighter regulatory touch on emerging consumer credit products. While welcomed by BNPL providers, the move may prompt increased scrutiny from state regulators and consumer advocates concerned about potential protection gaps. Industry participants should prepare for a patchwork of regulatory expectations in the near term.

[Listen to this post](#)

Copyright © 2025, Sheppard Mullin Richter & Hampton LLP.

Source URL: <https://natlawreview.com/article/cfpb-withdraw-bnpl-interpretive-rule-amid-broader-agency-rollback>