

Exploring the Buy Now/Pay Later Option



Buy now/pay later balances are expected to grow [around 20% annually](#) for the next three years. So what is BNPL? And [should you consider using it?](#)

Here's how it works – and how it compares to another type of installment loan.

	BNPL Loans	Point-of-Sale Loans
Purchase Amount:	Under \$1,000	Usually \$500 to \$5,000
Down Payment:	Typically 25%	None
Repayment Term:	Short (usually six weeks)	Up to 48 months
Charges Interest:	No	Up to 30%
Credit Inquiry:	No hard credit inquiry	May or may not
Total Cost:	May cost the same ... <i>if paid on time</i>	Depends on interest



Things to consider:

KNOW YOUR FINANCES:

Companies may charge [late fees](#). Ensure future payments fit your [spending plan](#).



READ THE FINE PRINT:

Understand terms and merchant policies – including for returns and consumer protections – before buying.



UTILIZE FINTECH:

Do your research to find features (flexible repayment, no interest, etc.) that fit your needs.

Make sure you have a good sense of your finances before purchasing and contact a [personal financial manager](#) or [counselor](#) for help understanding financial products like BNPL.



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