



STUDENT BORROWER
PROTECTION CENTER

POINT OF ~~SALE~~ FAIL

How a Flood of “Buy Now, Pay Later”
Student Debt is Putting Millions at Risk

March 2022

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Executive Summary

A growing body of evidence indicates that a “shadow” student debt market poses grave danger to students nationwide. Encompassing a broad range of risky, high-cost forms of debt and credit, products in this market have become core to the business models of many of America’s most predatory for-profit schools.

In August 2020, the Student Borrower Protection Center (SBPC) and coalition partners including Allied Progress, Americans for Financial Reform Education Fund, and the Student Debt Crisis Center highlighted the emerging role of PayPal as a participant in the shadow student debt market through its revolving point-of-sale credit product, “PayPal Credit.” As the SBPC and its partners revealed in letters to the company and law enforcement, PayPal was offering PayPal Credit as a form of student loan at a variety of unaccredited and otherwise questionable for-profit schools, all while imposing hefty fees and endless contractual traps on students. In response, PayPal claimed to be cleaning up its act.

This report outlines the results of continued investigation by the SBPC into the role of point-of-sale loans as a form of shadow student debt both in the context of PayPal Credit and beyond it. The investigation reveals that point-of-sale loans have grown only more prominent and perilous as a method of fringe tuition financing, including by expanding beyond revolving credit options such as PayPal Credit and into additional, possibly riskier types of point-of-sale loans.

These additional types of loans notably include “Buy Now, Pay Later” (BNPL) debt. BNPL is a quickly emerging form of installment loan traditionally tied to the retail space. Through BNPL, consumers split the cost of a purchase into a series of four or more usually interest-free installments, generally with the borrower making a first payment at the point of sale. Analysts estimate that the number of BNPL users currently exceeds 45 million people, triple the number of users from as recently as 2018,¹ and that annual volumes of BNPL-facilitated purchases amounted to nearly \$100 billion in 2021, a fourfold increase in volume from the prior year.² However, a broad assortment of scholars, advocates, and policymakers have warned that BNPL loans could pose substantial dangers for consumers.³

Point-of-sale loans have grown only more prominent and perilous as a method of fringe tuition financing over time.

Against that backdrop, the SBPC's investigation uncovered the following:

- **Companies offering “Buy Now, Pay Later” point-of-sale credit have flooded the shadow student debt market, and they are now propping up a wide array of dubious for-profit schools.** BNPL providers appear to have rapidly emerged as sources of quick, risky point-of-sale shadow student debt for borrowers at a startling range of questionable for-profit schools and educational institutions. The SBPC's investigation revealed that BNPL options from companies including Affirm, Afterpay, Klarna, Sezzle, Shop Pay, Uplift, and Zip (formerly Quadpay) are available as a form of student loan at more than 50 apparently unaccredited and/or unregulated for-profit schools, likely pointing to an even larger trend. The institutions marketing BNPL as a form of student loan offer classes in cosmetology, outdoor survival, reiki, information technology, midwifery, wigmaking, real estate brokerage, eyebrow microblading, and more. Students financing learning at these schools through BNPL lack many of the vital protections that borrowers rely on in other markets, leaving them vulnerable to huge and unexpected fees, damage to their credit, a lack of recourse in the event of fraud, the loss of the ability to seek justice in the courts in the event of a dispute, and more. This reality exacerbates the danger already posed by the stark absence of oversight at the types of schools where BNPL is present.
- **BNPL companies have set their sights on one of the most dangerous corners of American higher education: for-profit credentialing bootcamps advertising training for often-illusory tech jobs.** BNPL companies appear particularly active as point-of-sale student lenders in the area of worker training and “upskilling,” including by making their products available for online credentialing programs through prominent vocationally-focused learning platforms including Udacity, Coursera, and Udemy. Courses in this sector generally promise to lead to high-paying jobs in the technology field, but they have historically proven too often to be little more than vehicles to bury students under unaffordable debts for useless certificates. In the present case, BNPL is available to finance courses that appear to be co-branded with major tech firms and that are marketed as leading to high-paying, in-demand jobs. Companies that have traditionally provided financing for these types of programs through other varieties of shadow student debt, such as through Income Share Agreements, have even begun expanding their offerings to lend to bootcamp students through BNPL. Nevertheless, these programs do not fall under any formal variety of regulatory oversight and offer no proof that graduates enjoy any of the career prospects that these courses advertise. Adding already-risky BNPL products to this mix could spell a new chapter in the history of for-profit education providers profiteering at working people's expense.

- **PayPal has failed to rein in schools' reliance on PayPal Credit as a form of shadow student debt, and is instead now growing its support of questionable for-profits through BNPL.** Despite PayPal's promise to rein in PayPal Credit, more than one third (52) of the dubious for-profit schools identified in the SBPC and its partners' August 2020 letter appear to still offer this form of revolving financing as a variety of student loan, some of them even more prominently than before. Further, new school partners appear to be actively introducing PayPal Credit as a method of point-of-sale tuition financing, and many schools have also begun to offer PayPal's new BNPL product for the same purpose. These findings imply that borrowers now face massive risks in point-of-sale tuition financing related to PayPal not just as it pertains to PayPal Credit, but from the combination of PayPal Credit, PayPal's BNPL product, and a growing lack of credibility from the company.

The results of this investigation underscore that an ever-expanding set of companies see fortunes to be made through the student debt crisis, and that the shadow student debt market is where these companies' dreams of riches continue to produce uniquely disastrous realities. It is long past due for policymakers and law enforcement to use the tools already at their disposal to hold predatory point-of-sale lenders accountable for their conduct in the shadow student debt market and protect borrowers.

Introduction

Coverage of America's student debt crisis has traditionally focused on the \$1.75 trillion balance of student loans⁴ currently weighing down 45 million borrowers nationwide.⁵ But a growing body of evidence points to the additional existence of a massive, opaque, and lightly regulated market for so-called "shadow student debt"—an umbrella term for the broad set of risky loans and credit available outside of the traditional private student loan market.⁶ Consisting of personal loans, lines of open-ended revolving credit, Income Share Agreements (ISAs), unpaid balances owed directly to schools, and several other products, shadow student debt has become a linchpin in the business models of some of the most predatory schools in the for-profit college sector.⁷ And with the high fees, harsh contractual terms, and abusive collections practices that typify shadow student debt, the growth of this dark market has come directly at students' expense.⁸

In August 2020, the SBPC and a coalition of consumer advocates including Allied Progress, Americans for Financial Reform Education Fund, and the Student Debt Crisis Center led a campaign to draw attention to one key participant in the shadow student debt market: PayPal.⁹ As outlined in letters that the coalition addressed to the company and to federal law enforcement, PayPal was offering a risky, high-cost revolving credit product called "PayPal Credit" as a point-of-sale tuition financing option at over 150 dubious for-profit schools. PayPal Credit involved an APR over 25 percent, late fees of up to \$39 per missed payment, and a deceptive "deferred interest" provision that could surprise borrowers with hundreds of dollars of added interest charges after several months in debt. Underlying these massive costs, PayPal and its partners were driving students toward PayPal Credit particularly to pay for unaccredited and lightly or wholly unsupervised programs including courses on makeup art, swordsmanship, hypnosis, veganism, and essential oils.¹⁰

In response to the SBPC and its partners' efforts, PayPal claimed to have "begun taking action" to rein in the marketing and availability of its PayPal Credit product at for-profit schools.¹¹

This report outlines the results of an investigation by the SBPC into the continued growth of point-of-sale credit as a form of shadow student debt, both in the context of PayPal's evolving offerings and beyond it. The findings of this investigation show that the situation in this area of lending has only deteriorated since PayPal asserted it was clamping down on PayPal Credit—and that the rot has spread into additional, potentially even more dangerous forms of point-of-sale loans being used for tuition financing.

Firms in the “Buy Now, Pay Later” (BNPL) market have proliferated as providers of quick, risky shadow student debt for students at questionable for-profit schools. BNPL is an emerging variety of point-of-sale installment loan that competes with other forms of credit available to consumers at checkout, including revolving credit options like PayPal Credit or more standard credit cards.¹² Through BNPL, consumers split the cost of a purchase into a series of four or more usually interest-free installments, generally with the borrower making a first payment at the point of sale. Advocates,¹³ legal practitioners,¹⁴ members of both houses of Congress,¹⁵ and regulators¹⁶ have warned that BNPL could involve substantial consumer risks, but it appears that BNPL is now widely available as a method to finance attendance at a diverse array of dubious, lightly- or wholly un-supervised, and otherwise untested schools and educational programs.

Evidence uncovered in the course of this investigation indicates that the BNPL companies flooding the for-profit sector have a heightened focus on the worker training and “upskilling” space, particularly as it relates to courses of study advertised as leading to jobs in the technology industry. This finding places BNPL not just within the shadow student debt market, but within an area of it that has proven uniquely harmful for borrowers: the segment serving the for-profit, tech-focused vocational bootcamps.¹⁷ By the same token, this investigation revealed that companies that have traditionally offered financing to bootcamp students through other forms of risky private debt, such as with Income Share Agreements, have expanded into now also offering BNPL, generating new dimensions of consumer risk.

The BNPL companies flooding the for-profit sector have a heightened focus on the worker training and “upskilling” space.

Finally, this investigation also uncovered that PayPal has not improved its business practices at the intersection of shadow student debt and point-of-sale lending, despite public claims to the contrary. In particular, an SBPC review found that more than a third of the dubious for-profit schools identified in the SBPC and its partners’ August 2020 letter continue to offer PayPal Credit as a form of student loan, and many other schools appear to have introduced both PayPal Credit and a new variety of PayPal-backed BNPL credit as tuition financing options.

Student loans are already fraught with peril for borrowers, and the shadow student debt space has long been where these dangers are most acute. The present findings point both to the increasing trend of companies in adjacent industries seeing lucrative opportunities in education financing, and to the extensive dangers that these firms’ entry into the shadow student debt market poses for students. Policymakers and law enforcement at all levels must wake up to the reality of BNPL as an emerging form of shadow student debt and use all of the regulatory, supervisory, and enforcement tools at their disposal to protect borrowers.

Background: “Buy Now, Pay Later” Debt Puts Consumers at Risk

BNPL is a massive and rapidly expanding area of short-term consumer lending generally used to finance consumption in the electronics, clothing, and household goods sectors.¹⁸ Under BNPL, consumers split the cost of a purchase into a series of four or more usually interest-free installments. In particular, borrowers typically pay 25 percent of the full purchase price of their merchandise at checkout and then make three additional payments in subsequent two-week installments,¹⁹ with the four cumulative payments adding up to the full price of the initially purchased goods.²⁰ Instead of being taken on by the consumer in an interest charge, the up-front cost of the loan is borne by the merchant in the form of an interchange fee.²¹ Merchants agree to shoulder this cost because consumers who use BNPL tend to spend more at checkout and to be more loyal to brands that offer it, while BNPL lenders enjoy appearing cost-free for borrowers beyond fees that may arise down the road.²²

The BNPL market in general is growing at a breakneck pace. The consulting firm Accenture estimated in 2021 that the number of BNPL users currently exceeds 45 million people, a consumer base that has tripled since 2018 and that is now equal to the total number of borrowers in the mainstream student loan market.²³ Analysts additionally estimate that consumers made nearly \$100 billion in BNPL-facilitated purchases in 2021, a fourfold increase in volume from the prior year,²⁴ and that the BNPL market could grow to be as much as 15 times its current size by 2025.²⁵

BNPL can appear to be a uniquely favorable deal for consumers relative to the use of credit cards or more traditional layaway programs, but a growing chorus of consumer advocates,²⁶ legal practitioners,²⁷ members of both houses of Congress,²⁸ and regulators²⁹ have warned that this market poses grave borrower risks. BNPL providers³⁰ and industry representatives³¹ generally evade describing their product as “credit” both as a general matter³² and as it pertains to statutory definitions that would trigger certain rights for borrowers and conduct standards for lenders.³³ This pattern implies that BNPL borrowers may not enjoy any of the badly needed protections applicable in consumer credit markets such as clear dispute resolution mechanisms and distinct rights surrounding merchandise return and chargebacks for credit card borrowers.³⁴ As the Consumer Financial Protection Bureau (CFPB) recently warned³⁵—and as growing borrower complaints evidence³⁶—this lack of protection can leave borrowers buried under fees and stuck without recourse even after they are defrauded or

sold faulty goods. Members of both the U.S. House and Senate have accused BNPL lenders of specifically structuring their products to evade consumer protection laws.³⁷

The growing role of BNPL as a form of shadow student debt is made all the more troubling by the notion that merchants are willing to pay for the interchange fees underlying BNPL only because the product encourages consumers to spend more overall on consumer goods than they otherwise would, adding risk on top of leverage for the public.³⁸ The merchants' gambit appears to have worked; a 2020 survey from the research firm Cardify indicated that BNPL users increase shopping spend up to 40 percent compared to when they use a credit card, while two-in-three BNPL users reported that spending was on luxury items they might not have otherwise purchased.³⁹ These findings imply that the consumer risks related to BNPL arise precisely when consumers' financial footing is already becoming only more precarious, as they are being egged on to ratchet up household debt to engage in wholly new spending.

Companies in the BNPL market currently do not have to meet many of the same vital compliance obligations as firms offering competing products such as revolving credit.

Further, by the same token that BNPL consumers do not currently enjoy key protections under the law for other forms of point-of-sale credit, companies in the BNPL market currently do not have to meet many of the same vital compliance obligations as firms offering competing products such as revolving credit. For example, BNPL companies do not have to make any good-faith determinations of borrowers' ability to repay their loans that a credit card company might need to,⁴⁰ and most BNPL providers make only a soft inquiry into borrowers' credit.⁴¹ These facts combine to make it possible for BNPL companies to rapidly overextend consumers. Compounding the problem, BNPL companies

are not required to offer a consolidated account statement or match a standardized disclosure when making their loans, even though BNPL products may be on varied repayment schedules.⁴² Thus, even when borrowers *can* afford their BNPL payments, they may readily get lost in a maze of confusing representations around what they owe and when, leading to cascading auto-debits, missed payments, added fees, and—perhaps most devastatingly—possible overdrafts on linked debit accounts.⁴³

Empirical evidence bears out this risk, as research from the consulting firm Cornerstone Advisors indicated in 2021 that 43 percent of BNPL borrowers had missed at least one payment, and that, of those borrowers, two-in-three had done so because they lost track of which payments they owed.⁴⁴ Should even one of these borrowers have consequently overdrafted a bank account, the results could have been financially devastating.⁴⁵ In the United Kingdom, where BNPL utilization has penetrated more quickly than in the U.S.,⁴⁶ one bank recently

reported that one-in-ten consumers who had utilized the services of the nation's two largest BNPL providers in November 2020 overdrew their bank accounts in the same month.⁴⁷

The risks associated with BNPL are further heightened by the pervasiveness of one particularly pernicious penalty that the industry levies on borrowers: late fees. Late fees are endemic to the BNPL space, and they are not governed by the existing restrictions around "reasonable and proportional penalty fees" present for other consumer credit products such as credit cards.⁴⁸ Borrowers report late fees as high as \$25 for a single tardy payment,⁴⁹ and observers have noted that late fees on certain BNPL products can be so expensive as to equate to interest charges at a 68 percent APR.⁵⁰ Moreover, consumer advocates have raised concerns that the widespread use of late fees may be less a bug than a central feature of the BNPL business model.⁵¹ As the National Consumer Law Center noted in recent Congressional testimony, the prominent BNPL company Afterpay recently sourced 20 percent of overall yearly revenue from late fees alone.⁵² Heavy reliance on recurring fees including late fees can generate perverse incentives such as those seen in the payday loan market, where the outsized role of loan renewal fees for lender profitability has led firms to aim in the first place for borrowers not to be able to afford their loans.⁵³ Should the BNPL market prove as reliant on late fees for its long-run success as it already seems, the danger for borrowers of industry designing products to fail will only rise.

Finally, the BNPL market poses huge risks for borrowers related to the issue of credit reporting. As six U.S. Senators recently noted in a letter to CFPB Director Rohit Chopra, "unlike other credit products and with limited exceptions, on-time [BNPL] payments are not usually reported to the credit bureaus, but delinquencies or defaults may be." This makes it possible for borrowers only to damage their credit through BNPL utilization, and never to improve it. The CFPB recently noted that these one-sided credit implications could confuse consumers, who might otherwise believe that opting for BNPL could be an opportunity to build up a credit history.⁵⁴ Moreover, it appears that credit damage from BNPL is already widespread.⁵⁵ For example, a recent Credit Karma survey found that 38 percent of BNPL users had fallen behind on a payment at least once, and that roughly three-in-four of these borrowers saw a subsequent hit to their credit score.⁵⁶ This implies that more than one-in-four borrowers who used a BNPL product damaged their credit, a staggering rate of financial injury.⁵⁷

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Each of these glaring consumer risks has emerged against a backdrop of light supervision at the state and federal level.⁵⁸ The CFPB has only recently begun to inquire into this market,⁵⁹ and the Senators cited above noted in their letter to Director Chopra that "nonbank BNPL providers currently operate without meaningful

oversight” including by generally not being subject “to federal supervision that can spot unfair, deceptive, or abusive practices or other violations of federal consumer protection laws.”⁶⁰

Meanwhile, market observers have recently noted that despite long being “[m]inimal,” complaints to the CFPB related to BNPL are “[g]rowing” and appear on track to become an “[a]valanche.”⁶¹ Underlying these complaints are borrowers crying out for relief from companies that give them the runaround while levying harsh fees,⁶² mismanaging consumer accounts,⁶³ and failing to provide even basic customer service.⁶⁴

Point-of-Sale Loans Including BNPL Products have Exploded as a Form of Shadow Student Debt

The SBPC has continued to investigate the growing role of point-of-sale credit in the shadow student debt market, including as it pertains to both revolving credit products such as PayPal Credit and other forms of debt that borrowers may take on at checkout. Coupling this ongoing market monitoring with exhaustive online searches, reviews of public securities disclosures, and conversations with key market stakeholders, the SBPC has identified several ongoing and new areas of grave risk for borrowers using point-of-sale credit as an option for education financing. In particular, an SBPC review has identified more than 100 unaccredited and otherwise dubious for-profit schools that market point-of-sale financing such as BNPL credit as a variety of student loan to millions of prospective borrowers.

“Buy Now, Pay Later” firms have stormed the shadow student debt market and are now propping up a wide array of dubious for-profit schools

The variety of consumer risks associated with BNPL discussed above raise obvious questions about whether the product is currently appropriate in any context, let alone as a method of education financing. Nevertheless, the SBPC has uncovered that BNPL is now widely available as a method to pay for attendance at a diverse array of dubious, unaccredited, and otherwise untested schools and educational programs.⁶⁵ These schools are strikingly similar in character and variety to those identified in the SBPC and its partners' original letter regarding PayPal Credit.⁶⁶

Appendix A lists more than 50 examples of career academies, certificate programs, and other educational institutions prominently advertising student financing through BNPL options from companies including Affirm, Afterpay, Klarna, Sezzle, Shop Pay, Uplift, and Zip (formerly Quadpay).⁶⁷ These schools offer apparently unaccredited and/or unregulated for-profit classes in cosmetology,⁶⁸ outdoor survival,⁶⁹ reiki,⁷⁰ information technology,⁷¹ midwifery,⁷² wigmaking,⁷³ real estate brokerage,⁷⁴ eyebrow microblading,⁷⁵ and more.⁷⁶

Several of these courses cost hundreds⁷⁷ or thousands⁷⁸ of dollars to attend, and financing these expenses through BNPL—which students can do at the click of a button—only heightens each of the risks discussed above. For example, while many of these for-profit schools market their programs as leading to a job,⁷⁹ none face requirements for public reporting on student outcomes at the level of a school operating in the mainstream private student loan market, making it impossible to assess these representations.⁸⁰ Should claims by schools about job placement and graduate outcomes prove false (or, more generally, should a program simply prove not to live up to the quality it advertises) borrowers who financed their attendance at that school through a BNPL loan will likely not be able to dispute their charges or get a refund.

Figure 1: BNPL firms are flooding the shadow student debt market and propping up a wide array of dubious for-profit schools⁸¹

The figure is a collage of several screenshots from various websites. At the top left, a Pearl Lash advertisement for 'Lash Extensions 101' is shown, with a 'Late Fees' pop-up stating: 'To be compliant with all states, we have updated our policy on late fees. Because of this, if your order is late, you may incur an initial late fee of \$5, \$7 or \$10 depending on your state of residence.' To the right, another Pearl Lash ad for 'All About Beauty Training Courses' lists 'Online Classic Eyelash Extension Training' for \$395.00, with financing options from Zip. Below this is a screenshot of 'The Midwifery Institute' website, showing 'Doula Certification' for \$750.00. In the bottom left, there are three screenshots of the Affirm BNPL checkout process: '1. Fill your cart', '2. Complete purchase', and '3. Pay over time', showing a 'CART TOTALS' of \$300.00 and 'Your 4 payments of \$75.00'. In the bottom center, there are two ads for 'Microblading Class' for \$2500 and 'Microblading & Shading Class' for \$3500, both with \$50 Off Coupons. At the bottom right, there is an ad for 'Reiki Training Level II - 4/8/2022' for \$500.00, also with financing options from Zip.

Similarly, should a borrower attending one of the schools highlighted here consequently (or, as discussed above, due simply to the confusing nature and timing of BNPL billing and BNPL companies' poor account management practices) fall behind on their payments, they may face massive late fees.⁸² One of the BNPL lenders currently providing its product as a shadow student loan, a fintech firm called Zip, charges late fees of up to \$10 per missed payment.⁸³ For a borrower financing attendance at a \$395 cosmetology school,⁸⁴ these late fees could be the equivalent of an interest charge at an APR above 56 percent.⁸⁵ Finally, as discussed above, the most hopeful outcome for borrowers with regard to their credit history is that their use of BNPL manages not to damage it.

Given the apparent dubiousness of the product being financed, even this relatively neutral best-case-scenario may prove unlikely.

Advocates have previously noted that BNPL providers are increasingly branching out of their base in the retail sector and into new markets, including now offering financing for medical expenses, travel, and basic goods such as groceries.⁸⁶ Industry has made clear that it intends for this creep to extend to education financing; a study by Amazon and PYMNTS.com titled “The NEXT BNPL Horizon” recently touted that 23 percent of consumers would be “very” or “extremely” interested in using BNPL to pay for “a new educational certification,” with the socioeconomic group most interested in using BNPL as a student loan being those who “[l]ive paycheck to paycheck with difficulty.”⁸⁷

At the same time, advocates have previously warned that a growing swath of financial services and fintech companies see the potential for windfall profits in the shadow student debt market.⁸⁸ The present findings send an ominous warning that these two trends are converging in the most dangerous corners of the already predatory for-profit college sector, putting borrowers at massive risk.

BNPL companies have quickly honed in on one of the most dangerous areas of American higher education: the world of for-profit credentialing bootcamps promising jobs in the technology sector

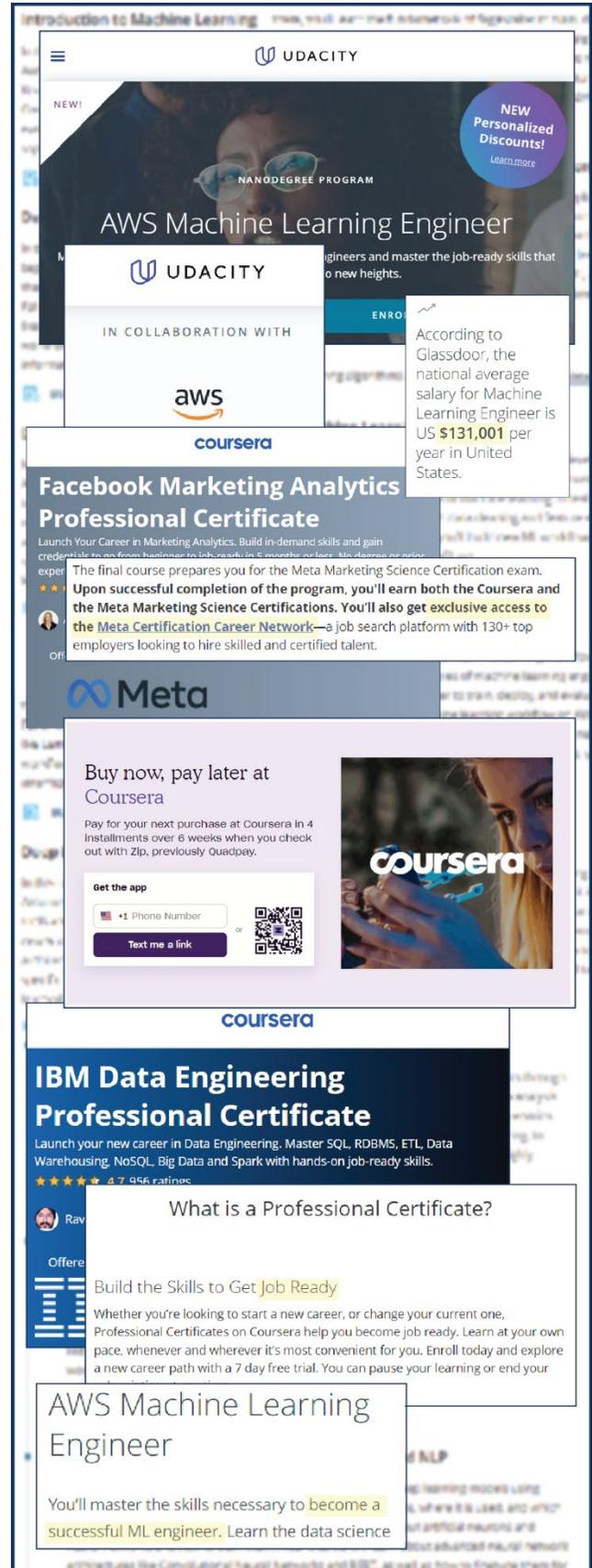
Evidence shows that firms operating in the shadow student debt market have recently focused their predatory practices on working people,⁸⁹ particularly as it relates to for-profit vocational schools that offer credential-based programs promising jobs in the technology field.⁹⁰ These “up-skilling” and “re-skilling” courses have boomed against the backdrop of economic and employment disruptions surrounding the COVID-19 pandemic, but their flashy promises of quick training and high-paying jobs often prove hollow.⁹¹ Instead, these courses frequently serve as low-quality vehicles to trap borrowers in piles of unaffordable debt.⁹²

Nevertheless, it appears that the BNPL companies rushing into the shadow student debt market have quickly turned their attention to the world of unproven for-profit programs claiming to offer tech-focused job training. In particular, the online platforms Udacity,⁹³ Coursera,⁹⁴ and Udemy⁹⁵—three of the most prominent vocationally-focused players in the web-based learning space⁹⁶—all now appear to offer BNPL as a form of student loan for worker-oriented credentialing courses. These companies reach a student audience consisting of tens of millions of people.⁹⁷

Udacity, for example, markets “[l]earn now, pay later” financing through Affirm for an Amazon-backed “[Amazon Web Services (AWS)] Machine Learning Engineer” “nanodegree” promising “job-ready skills that will take your career to new heights.”⁹⁸ Touting that “the national average salary for Machine Learning Engineer is US \$131,001 per year in United States,” Udacity claims that students attending the course will emerge with a “job-ready portfolio” and work prospects bolstered by dedicated “[c]areer services” staff.⁹⁹ No information is offered regarding historical student outcomes or job placement, let alone proof that any program graduates have gone on to earn the \$131,001 salary that Udacity points to in its marketing materials. But borrowers can be on the hook for hundreds of dollars a month in BNPL financing after only a few clicks on Udacity’s webpage.¹⁰⁰

Similarly, the BNPL provider Zip advertises on its website partnerships with the online learning platforms Coursera and Udemy.¹⁰¹ In this case, instead of specifying that BNPL funding is available for any specific course, it appears by implication that BNPL can be used as a form of shadow student debt for *any* program in these companies’ catalogs.

Combined with representations on the platforms’ websites, it is clear that Zip’s BNPL offering lands squarely within the world of credential-based, job-focused student financing. For example, visitors to Coursera’s website are greeted with an invitation to “[g]et job-ready for an in-demand career” with certificate courses that, Coursera advertises, will help students “[b]reak into a new field like information



technology or data science.”¹⁰² These courses include certificates co-branded with Google,¹⁰³ Meta,¹⁰⁴ IBM,¹⁰⁵ and other prominent tech firms. Some of these course listings promise perks including “exclusive access” to career networking opportunities attributable to specific companies,¹⁰⁶ and others claim that there are hundreds of thousands of job openings with enviable starting salaries in the field that these courses cover.¹⁰⁷

But despite these programs costing hundreds of dollars and/or hours of users’ time,¹⁰⁸ there is no available evidence to indicate that they consistently or even frequently lead to a job, let alone ones at the average starting salaries that these platforms advertise. Moreover, while Coursera centrally boasts on its main webpage that “87% of people learning for professional development report career benefits like getting a promotion, a raise, or starting a new career,”¹⁰⁹ it is not obvious whether those students are the same ones to whom Coursera is likely advertising (that is, in the company’s parlance, those looking to “break into a new field,” as opposed to those already in it). Instead, anecdotal reports indicate minimal improvements in job prospects stemming from Coursera’s certification programs,¹¹⁰ making the prospect of BNPL financing for these courses all the more problematic.

Likewise, Udemy invites visitors to its website to “[t]ransform your life through education,” asserting that “[l]earners around the world are launching new careers, advancing in their fields, and enriching their lives.”¹¹¹ The company specifically frames its services around job training, advertising that users can “[e]xpand” and “open up” new “career opportunities” by learning “in-demand skills” such as coding, web development, and mastery of Microsoft office products.¹¹² Pages on Udemy’s website enumerating course offerings in data science¹¹³ and AWS¹¹⁴ respectively claim that they will “help you progress on your career path” and “open up new career opportunities,” while a page listing course offerings in the coding language JavaScript contains the following testimonial:¹¹⁵

“Just 2 months ago, I kind of knew nothing about JavaScript and I had an extreme fear of how would I move forward. . . . [N]ow after 2 months, I’m pretty much confident to continue my journey in this glorious industry. . . . My lifestyle has been completely changed in these two months, and I can’t stay a moment without thinking of how different things in JavaScript works.”

These courses—for which BNPL financing is available—vary widely in price but appear to often cost hundreds of dollars.¹¹⁶ And yet, just as was the case with courses from Udacity and Coursera, there is no evidence that these courses provide any pedagogical value or produce the career outcomes to which they point.

Indeed, all of these worker-focused program offerings—including those from Udacity, Coursera, and Udemy—fall outside of any substantive form of oversight, accreditation, or generalized recognition, totally lacking third-party

review or a requirement for audited disclosures related to student outcomes. This fact has hardly slowed investment in the for-profit tech credentialing space, which has seen an influx of capital and interest during COVID.¹¹⁷ But it should give immediate pause to those attuned to the risks that BNPL-based tuition financing may pose for students, as the dangers inherent to these dubious programs are only compounded when attendance is funded through this type of shadow student debt.

Finally, it appears not just that BNPL companies are pivoting toward bootcamps, but that shadow student debt companies that generally specialize in other forms of credit used in the tech training world are now turning toward BNPL.¹¹⁸ For example, the company Meratas, which specializes in risky income-contingent private student loans called Income Share Agreements that it makes available to students at for-profit coding bootcamps,¹¹⁹ recently introduced a “Learn Now, Pay Later” BNPL product dubbed “Pay in 4.”¹²⁰ Meratas represents that its BNPL offering is functionally similar to those from “[p]latforms like Afterpay, Klarna, and Affirm,” stating, “[t]he pay in 4 is 4 separate installments over the course of several months.”¹²¹ And like other BNPL providers focusing on tech training, Meratas represents that its attention is strictly being paid to those “looking to up-skill, [or] re-skill.”¹²² The company markets its loans and related assistance in course selection by saying, “[w]hether you’re interested in nursing, learning to code, product management, software sales, or clinical research – find a program that’s right for you,” adding that its products can help

Career services
You'll have access to resume support, Github portfolio review and LinkedIn profile optimization to help you advance your career and land a high-paying role.

Buy now, pay later at Udegy
Pay for your next purchase at Udegy in 4 installments over 6 weeks when you check out with Zip, previously Quadpay.

Get the app
+1 Phone Number or QR code. Text me a link.

Take the next step toward your personal and professional goals with Coursera.

About this Professional Certificate
1,414,475 recent views
Prepare for a career in the high-growth field of UX design, no experience or degree required. With professional training designed by Google, get on the fast-track to a competitively paid job. **There are currently 113,700 U.S. job openings in UX design with an average entry-level salary of \$58,600.¹**

Professional Certificates
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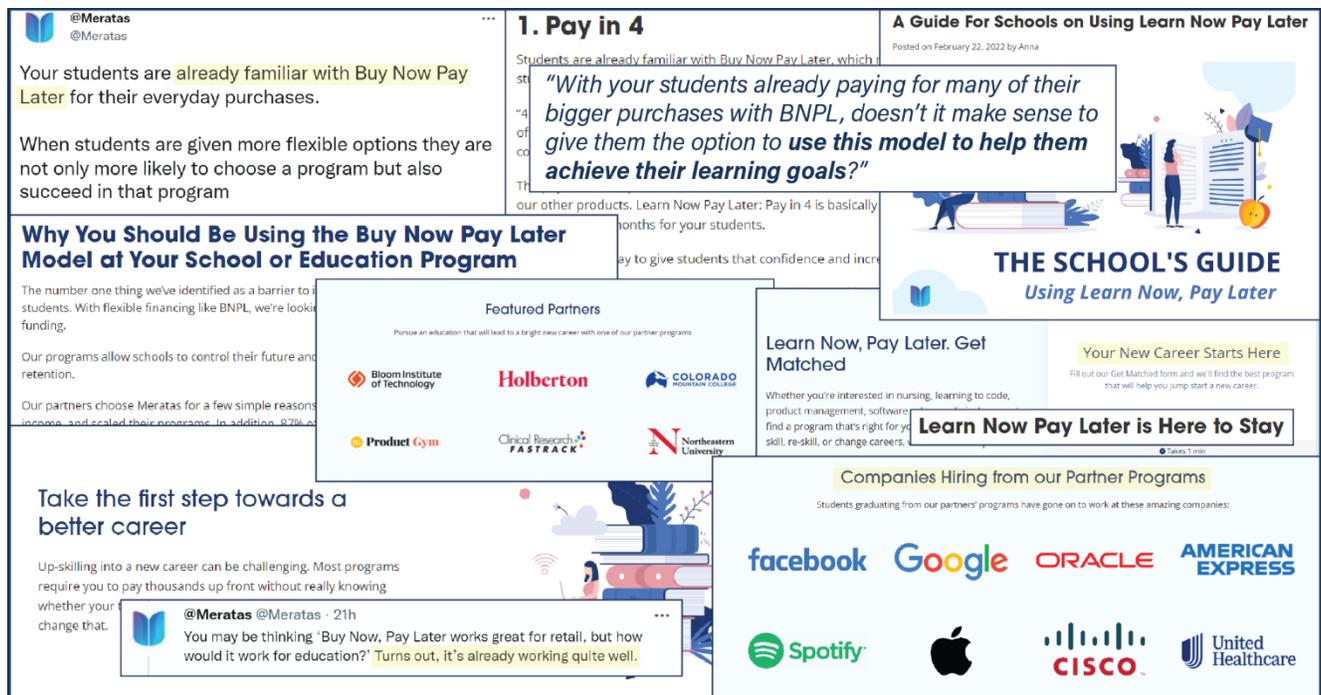
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Offered By **Google**

Learner outcomes on Coursera
87% of people learning for professional development **report career benefits** like getting a promotion, a raise, or starting a new career

students “[t]ake the first step towards a better career” and that “[m]ost programs require you to pay thousands up front without really knowing whether your training will lead to better outcomes. We’re here to change that.”¹²³ Plus, while Meratas leaves vague which specific programs its BNPL loans are available at or how prospective borrowers can verify the outcomes that those courses produce for students, the company displays the logos of the embattled coding bootcamps Holberton¹²⁴ and the Bloom Institute of Technology (formerly Lambda School)¹²⁵ alongside the emblems of Title IV schools including Northeastern University and Colorado Mountain College as “Featured Partners,” and touts the logos of tech companies including Apple, Google, and Spotify under the header “Companies Hiring from our Partner Programs.”¹²⁶ No evidence is provided that Meratas borrowers or attendees at the bootcamps it supports regularly or ever enjoy job placement at these firms or others like them.

Figure 2: Firms specializing in other types of shadow student debt are turning toward BNPL¹²⁷



That Meratas—which has already generated enforcement action from state financial regulators regarding its conduct in the ISA market¹²⁸—has chosen to enter the BNPL space underscores that creditors across the board see a massive business opportunity at the intersection of shadow student debt, BNPL, and tech training—and that they are rushing to seize it.

PayPal failed to halt existing, risky use of PayPal Credit by for-profit schools, instead expanding its support through BNPL

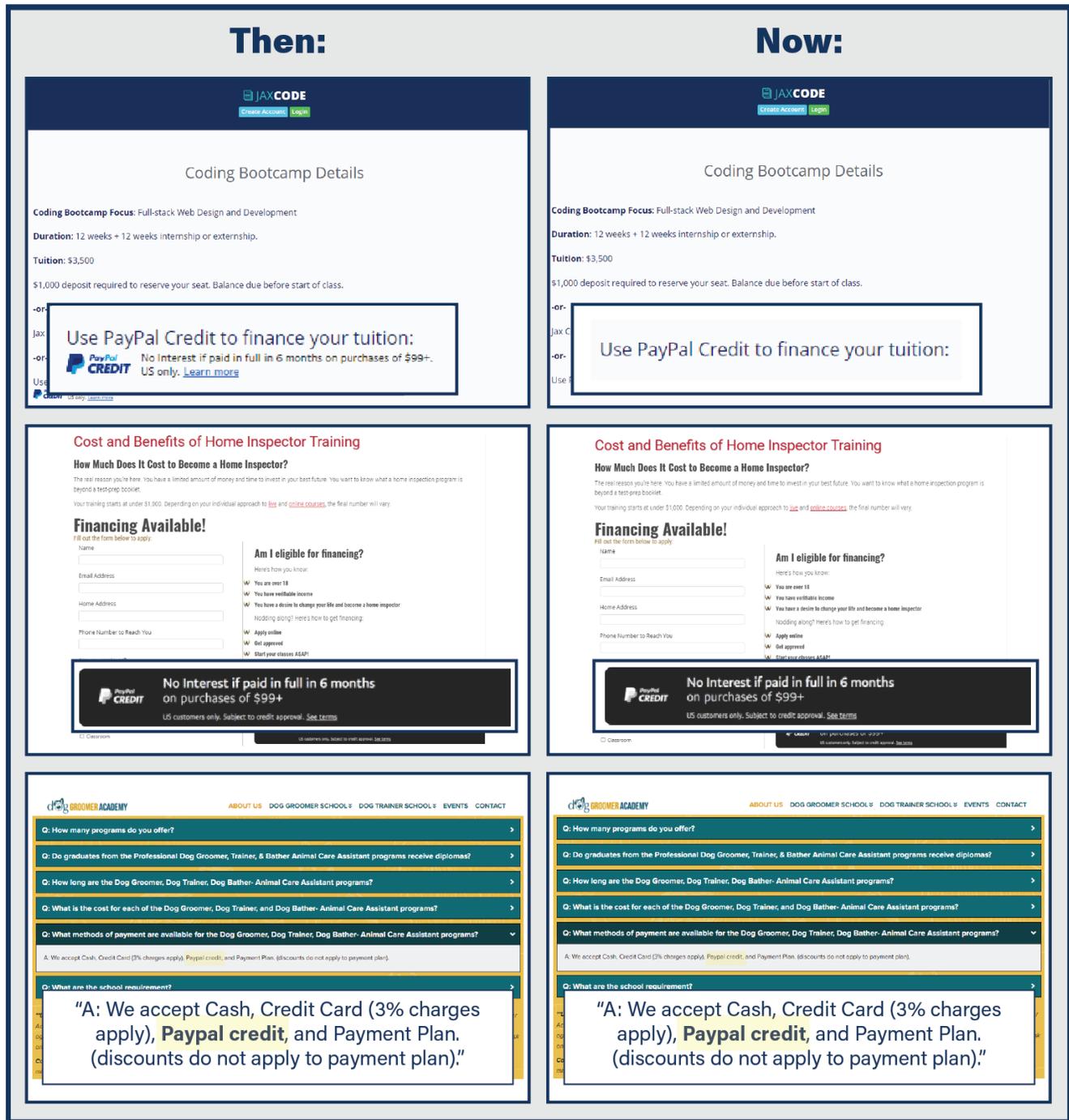
As discussed above, PayPal claimed after the release of the SBPC and its partners' letter to the company and federal regulators that it had cracked down on the use of PayPal Credit as a tuition financing product.¹²⁹ PayPal has also faced subsequent scrutiny from law enforcement¹³⁰ and shareholder litigation¹³¹ related to its conduct in the shadow student debt market. But the SBPC has found that the company is more entrenched in this market than ever, having both failed to clean up its practices related to PayPal Credit and having rolled out new BNPL offerings that now appear widely available at a startling array of dubious for-profit schools.¹³²

Appendix B aggregates evidence that more than one third of the risky for-profit schools identified in the SBPC and its partners' initial letter to PayPal and federal regulators continue to offer PayPal Credit as a method of point-of-sale tuition financing.¹³³ In some cases, schools' websites remain entirely unchanged since the SBPC and its partners identified the schools 18 months ago.¹³⁴ In others, schools have simply changed the language surrounding PayPal Credit while still offering it or have moved mention of the product to pages on its website other than those linked to in the Appendix to the SBPC and its partners' August 2020 letter.¹³⁵ At least one for-profit education provider identified in the August 2020 letter now specifically refers to PayPal Credit on a webpage dedicated to "Student Loans."¹³⁶ Institutions that have continued since the August 2020 letter to offer PayPal Credit as point-of-sale shadow student debt offer training in cosmetology,¹³⁷ car detailing,¹³⁸ blogging,¹³⁹ children's yoga instruction,¹⁴⁰ coding,¹⁴¹ and more,¹⁴² all while exposing borrowers to the same contractual traps, massive interest charges, and harsh collections practices discussed above.¹⁴³

However, PayPal's misconduct in the shadow student debt space is not simply an issue of lingering legacy behaviors. Instead, it appears that dubious for-profit schools continue to actively adopt and market PayPal Credit as a tuition financing option, and that they have also begun offering PayPal's BNPL product "Pay in 4" (not to be confused with Meratas's product of the same name) as an additional form of point-of-sale student loan.¹⁴⁴

Appendix C lists 30 for-profit schools not mentioned in the SBPC and its partners' original letter that now advertise PayPal Credit and/or PayPal Pay In 4 as a method of student financing.¹⁴⁵ Among them are schools offering a \$15,000 tattooing course,¹⁴⁶ cosmetology courses costing \$2,000¹⁴⁷ to \$7,000,¹⁴⁸ and more.¹⁴⁹ In at least two occasions, the programs in question are certificate courses operating within subsidiaries of Title IV schools.¹⁵⁰ This finding raises key questions surrounding whether these schools may be violating laws and regulations that govern relationships between private lenders and institutions participating in federal student aid programs, particularly as it relates to instances in which schools appear to direct students toward specific private loan products.¹⁵¹

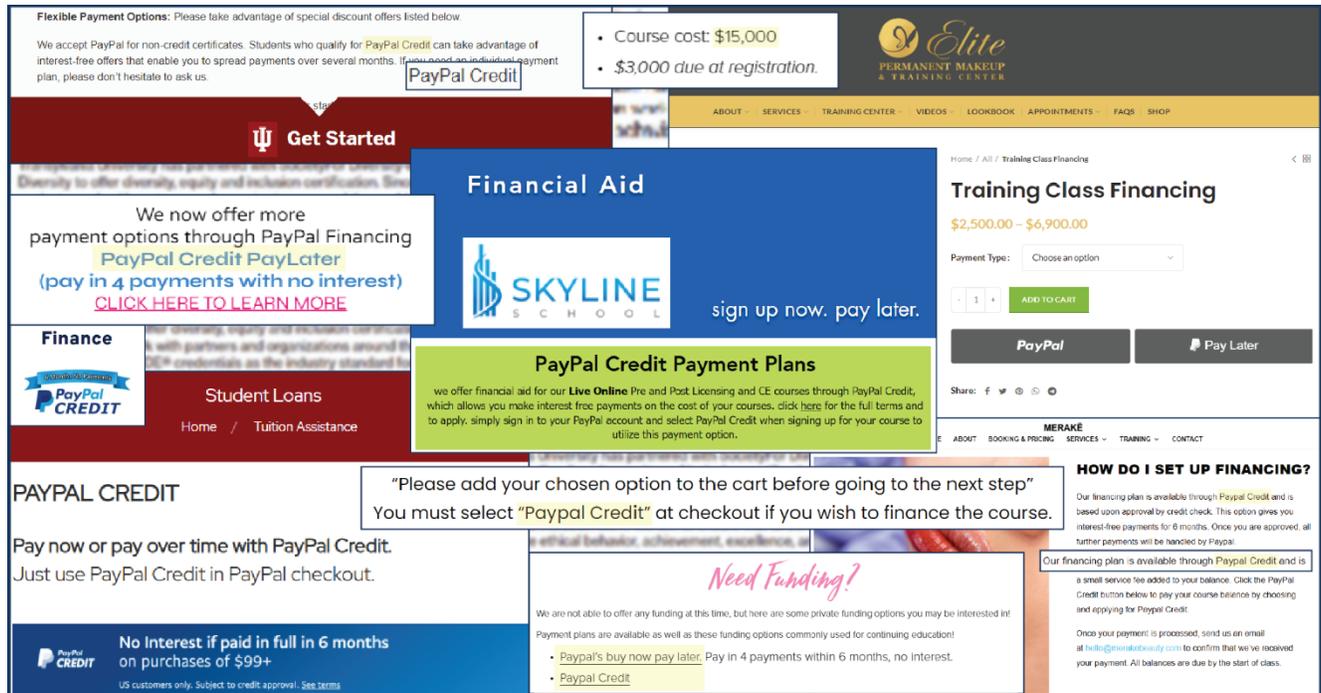
Figure 3: PayPal has failed to halt risky schools' abuse of PayPal Credit as a form of dangerous student debt¹⁵²



Moreover, for-profit schools do not appear to fear any crackdown along the lines of what PayPal described in 2020, as their advertisements for PayPal Credit and Pay in 4 are often more prominent than they were at the time of the SBPC's 2020 letter.¹⁵³ For example, one school has a "Financial Aid" webpage dedicated to PayPal's

offerings, complete with an embedded video from PayPal guiding students through the process of applying for PayPal Credit to finance their tuition and an extensive FAQ section.¹⁵⁴ Another school touts “PayPal Credit PayLater” at the top of the home page of its website,¹⁵⁵ while another has a dedicated “Finance” page with a PayPal Credit logo placed prominently at its forefront.¹⁵⁶

Figure 4: PayPal continues to add dubious schools to its clientele through PayPal Credit and, now, its BNPL product¹⁵⁷



These offerings put borrowers at risk. It does not appear that PayPal Credit’s terms or costs have changed substantially since the SBPC and its partners sent their August 2020 letter,¹⁵⁸ and, while Pay in 4 does not have late fees,¹⁵⁹ it retains the same lack of rights and protections as other forms of BNPL.¹⁶⁰ Moreover, if it is any indication of where the current crop of new for-profit schools offering PayPal’s products are headed and the consumer risks they may entail, it is notable that a handful of the schools cited in the SBPC and its partners’ 2020 letter appear to no longer exist or to no longer have working websites.¹⁶¹

Recommendations

The CFPB recently opened an “inquiry” into the BNPL market, seeking to “collect information on the risks and benefits of these fast-growing loans” through a series of industry-facing data requests and an opportunity for public comments.¹⁶² Similarly, the Task Force on Financial Technology within the U.S. House of Representatives’ Financial Services Committee recently held a hearing focused on BNPL products.¹⁶³ These actions mark key steps forward to protect students and borrowers.

Nevertheless, there are several additional actions that the CFPB and Congress must take to address the risky emergence of BNPL as a form of shadow student debt:

- **The CFPB should write new rules to provide all students who finance education and training with the same substantive protections offered to students who attend traditional colleges.** The federal Truth in Lending Act (TILA) provides a series of substantive protections to students who use so-called “private education loans”—consumer protections created to address findings by law enforcement of backroom deals between schools and lenders more than a decade ago. These protections include clear disclosures required at the point of enrollment, prohibitions on co-branding between lenders and schools, restrictions on certain fees, and prohibitions on revenue sharing. The landscape for training and education has evolved since these standards were passed by Congress and since the CFPB’s predecessor, the Federal Reserve Board of Governors, wrote the implementing regulations in 2008. The CFPB should update these rules to recognize how American students pursue education and training in 2022, ensuring students enjoy the same substantive protections whether they attend a 4-year public college or a short-term online training program. To the extent there are statutory limits that prevent the Bureau from using its rule-writing authority to expand this section of TILA to address all providers of student financing, including BNPL firms, the Bureau should also look to its broad authority under the Consumer Financial Protection Act to establish disclosure requirements via rulemaking and to define specific unfair and deceptive practices relevant to this space. Broadly, the Bureau should aim to use these complementing authorities to create a single consistent set of standards to protect all students who use financing to pay for college, training, or other education.

- **The CFPB should prioritize enforcement and supervision targeting BNPL companies' illegal conduct, including efforts to evade consumer protections.** As noted in above, BNPL products appear to feature excessive or unexpected fees—fees incurred by a substantial share of all BNPL users. Similarly, BNPL offerors appear to have adopted a punitive approach to furnishing consumer credit information, often furnishing only negative information in the event of nonpayment but refraining from furnishing information about those who successfully repay. Other important questions remain unanswered as students use BNPL and fall behind on required payments. As the regulator for the debt collection market, the CFPB should also oversee market participants engaged in debt collection where students have fallen behind on a BNPL loan.

- **The CFPB and the Federal Trade Commission should scrutinize the relationship between large, online education providers like Coursera and Udacity and firms offering BNPL products to students.** As described above, tens of millions of students worldwide take courses through the largest providers of online education. In recent years, these firms have sought to monetize this enormous enrollment, often through the marketing of “premium” products to students and the enrollment of hundreds of thousands of paying subscription customers. SBPC’s investigation reveals that BNPL is now a preferred financing mechanism for these firms, posing a growing financial risk to students across the country. The CFPB and the Federal Trade Commission should scrutinize the interactions between BNPL lenders and education providers to better protect students from deceptive marketing and the range of risks specific to these financial products discussed above. In particular, regulators and enforcement officials should consider how the timeline for repayment of a BNPL loan aligns with promises of employment or wage growth associated with programs financed through this risky product. Where students are unable to unlock labor market benefits from new career education or training within the typical timeline to repay a BNPL loan, regulators should carefully scrutinize representations made during the marketing and origination of these products and halt instances of deception and false advertising.

- **The CFPB and federal prudential regulators should expand oversight of PayPal and PayPal Credit to address continued evidence of abuses related to partnerships with for-profit colleges, including PayPal Credit’s BNPL offering.** In August 2020, the SBPC and its partners warned that PayPal was “providing its products as high cost education financing options that can leave borrowers in significant distress with few protections,” and that PayPal credit was “being used to prop up a wide range of for-profit educational institutions, many of them bearing the hallmarks of schools that have cheated or failed borrowers in the past.”¹⁶⁴ But despite public pressure,¹⁶⁵ investigations from law enforcement,¹⁶⁶ and active shareholder litigation subsequent to the SBPC and its partners’ letter,¹⁶⁷ PayPal’s conduct has only

deteriorated over the intervening 18 months. The CFPB and prudential regulators including the Office of the Comptroller of the Currency should immediately expand ongoing scrutiny of PayPal and its partner bank, Synchrony Financial, regarding both their failure to rein in the abuse of PayPal Credit in the shadow student debt market and their cavalier choice to make new, possibly even more dangerous products available in this already risky space. In the absence of sweeping, speedy action, it appears likely that PayPal will only continue to flout consumer safety and put ever more students at risk.

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³⁶ Statement for the Record Submitted by Rachel Gittleman, Fin. Servs. Outreach Manager, Consumer Fed'n of Am., to Task Force on Fin. Tech., U.S. House Comm. on Fin. Servs. 9 (Nov. 2, 2021), <https://consumerfed.org/wp-content/uploads/2021/11/CFA-Submits-Statement-for-the-Record-to-U.S.-House-Task-Force-11.2.21.pdf>.

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⁴³ *Id.* ("In the absence of consolidated account statements, confusion about repayment schedules and consequences of default can lead to missed payments and associated late fees."); Akeredolu, *supra* note 16 ("Also, be aware that your bank may charge you an overdraft or NSF fee if you sign up for automatic repayment through your debit card or bank account and don't have enough funds to cover the payment.").

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⁴⁹ Leticia Miranda, *The hidden costs of 'buy now, pay later' loans*, NBC NEWS (Nov. 5, 2021), <https://www.nbcnews.com/business/consumer/hidden-costs-buy-now-pay-later-loans-rcna4367>.

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⁵¹ Geron, *supra* note 15 ("There are troubling indications that BNPL products may lead consumers to incur debt they cannot afford to repay. Disturbingly, part of the business model of some BNPL providers may count on consumers who do not pay on time and who incur late fees," said Lauren Saunders, an associate director at the National Consumer Law Center . . .").

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⁵³ *Payday Loans, Auto Title Loans, and High-Cost Installment Loans: Highlights From CFPB Research*, CONSUMER FIN. PROT. BUREAU (June 2, 2016), https://files.consumerfinance.gov/f/documents/Payday_Loans_Highlights_From_CFPB_Research.pdf.

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⁵⁶ *Id.* (“Of survey respondents who’ve used “buy now, pay later” options, 38% reported they’ve missed at least one payment. And 72% of respondents who said they missed a payment also reported seeing a decrease in their credit scores afterward.”).

⁵⁷ Note that these fears are borne out in consumer complaints. *See, e.g.*, Statement for the Record, *supra* note 36 (citing the following complaint to the Better Business Bureau: “I first joined Sezzle up on January 24th 2021 and its paid installment for goods and merchandise. I never missed any payment I had paid orders off early to where I gained a 1400.00 limit. On March 9th I processed an order thru Lowes for a stove with a total cost of 447.41 broken into 4 payments at 111.85. Unknown to me the bank made a chargeback of the order. I continued to make all the next payments on time which left one last payment. The proc to me making the payment the account was closed for nonpayment. I immediately asked can I make a payment to resolve the issue. I was told by the representative I had to contact the bank on May 8th 2021. I was told to contact Sezzle in 30 days to see if it was clear to make payment. I further sent and received an email on June 8th to make said payment. On June 16th my credit monitoring services see a drop of 73 points for a late payment over 60 days after I was told that it wouldn't be reported. This company falsel [sic] gave me inaccurate information.”).

⁵⁸ Note that California’s Department of Financial Protection and Innovation has been relatively active in the BNPL space among states, having settled in 2019 and 2020 for \$1.9 million with three BNPL firms “after it was concluded they structured their products to evade regulation” and having released a market monitoring report in October 2021 that highlighted certain developments in the BNPL space. *See DBO Denies Lending License Sought by Unregulated Point-of-Sale Financer and Issues Related Legal Opinion*, DEP’T OF FIN. PROT. & INNOVATION (Dec. 30, 2019), <https://dfpi.ca.gov/2019/12/30/dbo-denies-lending-license-sought-by-unregulated-point-of-sale-financer-and-issues-related-legal-opinion/>; *Point-of-Sale Lender Afterpay Agrees to Cease Illegal Loans, Pay Refunds in Settlement with the California Department of Business Oversight*, DEP’T OF FIN. PROT. & INNOVATION (Mar. 16, 2020), <https://dfpi.ca.gov/2020/03/16/point-of-sale-lender-afterpay-agrees-to-cess-illegal-loans-pay-refunds-in-settlement-with-the-department-of-business-oversight/>; DFPI Report Shows Changes in Consumer Lending, Decrease in PACE Program, DEP’T OF FIN. PROT. & INNOVATION (Oct. 7, 2021), <https://dfpi.ca.gov/2021/10/07/dfpi-report-shows-changes-in-consumer-lending-decrease-in-pace-program/>.

⁵⁹ *Consumer Financial Protection Bureau Opens Inquiry into “Buy Now, Pay Later” Credit*, CONSUMER FIN. PROT. BUREAU (Dec. 16, 2021), <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-opens-inquiry-into-buy-now-pay-later-credit/>.

⁶⁰ Letter from Jack Reed, *supra* note 28.

⁶¹ Jason Mikula, *BNPL Furnishing May Cause Avalanche of Complaints; TransUnion’s Crypto Partnership*, FINTECH BUS. WKLY. (Jan. 16, 2022), <https://fintechbusinessweekly.substack.com/p/bnpl-furnishing-may-cause-avalanche>.

⁶² Statement for the Record, *supra* note 36 (citing the following borrower complaint to the Better Business Bureau: “I signed up for a music program. If I made payments every month with no interest. set up payment plan to be within time frame for no interest. I thought paid off, they told me NO they said I was paying wrong amount each month & started charging me late fees. I was paying by what they told me to pay each month. They keep wracking up late fees.”).

⁶³ *Id.* (citing the following borrower complaint to the CFPB: “The ability to make payments through their app was modified and i was not able to log in, i had to mail in a payment and then i received a late fee because i didnt make the payment on time. Their faulty app not working was the reason i couldnt make the payment on time. They refused to waive the late fee and they are threatening to issue more late fees if i don't pay the late fee.”).

⁶⁴ *Id.* (citing the following borrower complaint to the CFPB: “I've been attempting to reach someone at quadpay whom can help me for months. 4 months after first attempt I received response regarding late fees. They are taking way too many payments for accounts already paid or from multiple accounts.”).

⁶⁵ *See infra* Appendix A.

- ⁶⁶ Letter from Student Borrower Protection Center et al., to Hon. Kathleen Kraninger, Dir., Consumer Fin. Protection Bureau, & Hon. Brian Brooks, Acting Comptroller, Office of the Comptroller of the Currency 2 (Aug. 20, 2020), <https://protectborrowers.org/wp-content/uploads/2020/08/PayPal-Credit-letter-Regulators.pdf>.
- ⁶⁷ See *infra* Appendix A.
- ⁶⁸ *All About Beauty Training Courses*, THE ARTISTRY VAULT, <https://perma.cc/D7XJ-2U6V> (last visited Feb. 7, 2022).
- ⁶⁹ *Payment Plan*, SIGMA 3 SURVIVAL SCH., <https://perma.cc/FG6L-6UU6> (last visited Feb. 7, 2022).
- ⁷⁰ *Reiki Training Level 11 – 4/8/2022*, MARSHA WALD: ART OF LIVING MAUI, <https://perma.cc/Q6WS-3TP5> (last visited Feb. 7, 2022).
- ⁷¹ *Pay Later*, COMPTIA, <https://perma.cc/4S3J-8Q3Y> (last visited Feb. 7, 2022).
- ⁷² *Doula Certification*, THE MIDWIFERY INST., <https://perma.cc/NQ5P-R52J> (last visited Feb. 7, 2022).
- ⁷³ *Classes*, SUGAPLUMS HAIR COLLECTION, <https://perma.cc/B23S-7K58> (last visited Feb. 7, 2022).
- ⁷⁴ *Real Estate Broker Programs: Get Licensed*, REAL EST. INST., <https://perma.cc/2N8Y-QWGE> (last visited Feb. 7, 2022).
- ⁷⁵ *Training Deposits*, LUKXBROWS, <https://perma.cc/P4DS-3VTA> (last visited Feb. 7, 2022).
- ⁷⁶ See *infra* Appendix A.
- ⁷⁷ *Payment Plans*, AM. FITNESS PROS. & ASSOCS., <https://perma.cc/C55X-YHZE> (last visited Feb. 7, 2022) (listing a class that costs \$950); *Online Russian Volume Course*, LONDON LASH, <https://perma.cc/Q3PM-ATGK> (last visited Feb. 7, 2022) (listing a class that costs \$500); *Online Classic Eyelash Extension Training*, PEARL LASH, <https://perma.cc/N8MA-QK36> (last visited Feb. 7, 2022) (listing a class that costs \$395).
- ⁷⁸ *CareerStep Program Pricing*, CAREERSTEP, <https://perma.cc/F6UW-Y3Q9> (last visited Feb. 7, 2022) (listing a class that costs \$3,999); *Lash & Brow Classes*, OMNIA LASHES, <https://perma.cc/3V77-CA27> (last visited Feb. 7, 2022) (listing a class that costs \$3,500 and a class that costs \$2,500); *Ombre & Microblading: In Person Training*, OBSESSIONS BEAUTY BAR, <https://perma.cc/M2L6-FLLT> (last visited Feb. 7, 2022) (listing a class that costs \$2,000); *All courses*, CLS BY BARBRI, <https://perma.cc/945J-67LM> (last visited Feb. 7, 2022) (listing a class that costs \$1,895).
- ⁷⁹ *Beauty Boss E-Book*, MINKS BEAUTY INST., <https://perma.cc/Z995-37VQ> (last visited Feb. 22, 2022) ("Learn how to earn 6 figures in the beauty industry"); *Lash & Brow Classes*, *supra* note 78 ("LEARN HOW TO MAKE \$2,000+ WEEKLY WITH LASHES AND BROWS!"); *Training*, BROW ENVY, <https://perma.cc/58HH-WMNN> (last visited Feb. 7, 2022) ("10+ Online Microblading Training Courses Available To Prepare Your [sic] For Your Career As An Artist, Supplement Your Microblading Skills & Grow Your Business.").
- ⁸⁰ See generally Jonathan Rothwell, *Understanding the College Scorecard*, BROOKINGS INST. (Sept. 28, 2015), <https://www.brookings.edu/opinions/understanding-the-college-scorecard/>.
- ⁸¹ Highlights added.
- ⁸² Jackie Veling, *What Is Buy Now, Pay Later?*, NERDWALLET (Dec. 22, 2021), <https://www.nerdwallet.com/article/loans/personal-loans/buy-now-pay-later#>.
- ⁸³ *Are there any fees to use Zip Checkout?*, ZIP, <https://help.us.zip.co/hc/en-us/articles/360020852771-Are-there-any-fees-to-use-QuadPay-Checkout-> (date last visited Feb. 28, 2022).

⁸⁴ See, e.g., *Online Classic Eyelash Extension Training*, *supra* note 77.

⁸⁵ SBPC calculation. Assumes the borrower is 7 days late on each payment after the initial purchase, and that the borrower's late fee is \$10. The borrower pays \$425 overall over 49 days to finance \$395.

⁸⁶ Statement for the Record, *supra* note 36, at 10-11; Testimony of Lauren Saunders, *supra* note 14, at 5.

⁸⁷ PYMNTS.COM & AMAZON WEB SERVICES, THE NEXT BNPL HORIZON 19-21 (Sept. 2021), <https://perma.cc/7ADK-YGDC>.

⁸⁸ See generally *Shadow Student Debt*, *supra* note 6; see also Ben Kaufman, *The ISA Market is Getting Bigger and Weirder, Putting Borrowers at Increasing Risks*, STUDENT BORROWER PROTECTION CENTER (Apr. 26, 2021), <https://protectborrowers.org/the-isa-market-is-getting-bigger-and-weirder-putting-borrowers-at-increasing-risk/>.

⁸⁹ See, e.g., Daniel A. Hanley and Chris Hicks, *The Nation's Top Consumer Watchdog Can End Predatory Practices Trapping Workers in Employer-Driven Debt*, STUDENT BORROWER PROTECTION CENTER (Dec. 1, 2021), <https://protectborrowers.org/the-nations-top-consumer-watchdog-can-end-predatory-practices-trapping-workers-in-employer-driven-debt/>; <https://protectborrowers.org/student-debt-in-disguise-how-employers-are-using-predatory-debt-to-hurt-workers-and-hold-back-competition/>.

⁹⁰ Pushing Predatory Products, *supra* note 6.

⁹¹ Ben Kaufman and Mike Pierce, *Without Strong Consumer Protections, a History of Borrower Harm Will Repeat Itself During the COVID-Era Rise in Credentialization*, STUDENT BORROWER PROTECTION CENTER (Mar. 19, 2021), <https://protectborrowers.org/workforce/>.

⁹² Pushing Predatory Products, *supra* note 6.

⁹³ *AWS Machine Learning Engineer*, UDACITY, <https://perma.cc/V2XZ-D89P>.

⁹⁴ *Buy Now, Pay Later at Coursera*, ZIP, <https://perma.cc/45LJ-JQAP>.

⁹⁵ *Buy Now, Pay Later at Udemy*, ZIP, <https://perma.cc/CWU7-5KK2>.

⁹⁶ Josh Bersin, *The MOOC Marketplace Takes Off*, FORBES (Nov. 30, 2013, 11:59 AM), <https://www.forbes.com/sites/joshbersin/2013/11/30/the-mooc-marketplace-takes-off/?sh=7787acbe58a8>.

⁹⁷ See, e.g., Transcript, Q4 2021 Coursera Inc Earnings Call, Feb 18, 2022 [available at <https://www.bamsec.com/transcripts/15096380>] (where in the CEO of Coursera says, "We ended the fourth quarter [of 2021] with 97 million registered learners on the platform . . ."); Gabe Dalporto, *Udacity 2020: The Year in Review*, UDACITY (Jan. 25, 2021), <https://perma.cc/6B35-9BWS> (stating that Udacity has 14 million users and awarded 170,000 nanodegree certificates in 2020); Udemy, Inc., Registration Statement (Form S-8) 1 (Nov. 20, 2021), <https://www.sec.gov/Archives/edgar/data/1607939/000119312521343778/d237799ds8.htm> (stating that Udemy reaches "over 44 million learners" worldwide).

⁹⁸ UDACITY, *supra* note 93.

⁹⁹ *Id.*

¹⁰⁰ *Id.* ("Buy with payments as low as \$142 per month at 0% APR").

¹⁰¹ *Buy Now Pay Later at Coursera*, *supra* note 94; *Buy Now Pay Later at Udemy*, *supra* note 95.

¹⁰² *Learn without limits*, COURSERA, <https://perma.cc/M2VS-D4P6> (last visited Feb. 10, 2022).

¹⁰³ *Google UX Design Professional Certificate*, COURSERA, <https://www.coursera.org/professional-certificates/google-ux-design> (last visited Feb. 27, 2022).

¹⁰⁴ *Facebook Marketing Analytics Professional Certificate*, COURSERA, <https://www.coursera.org/professional-certificates/facebook-marketing-analytics?action=enroll&aid=true&authMode=signup> (last visited Feb. 27, 2022).

¹⁰⁵ *IBM Data Engineering Professional Certificate*, COURSERA, <https://www.coursera.org/professional-certificates/ibm-data-engineer> (last visited Feb. 27, 2022).

¹⁰⁶ Facebook Marketing Analytics Professional Certificate, *supra* note 104 ("You'll also get exclusive access to the Meta Certification Career Network—a job search platform with 130+ top employers looking to hire skilled and certified talent.").

¹⁰⁷ Google UX Design Professional Certificate, *supra* note 103 ("There are currently 113,700 U.S. job openings in UX design with an average entry-level salary of \$58,600.").

¹⁰⁸ See, e.g., u/urfavggirl, *Is Facebook Social Media Marketing Certification Worth It?*, REDDIT (Jan. 2, 2021), <https://perma.cc/7CYL-NEUL>.

¹⁰⁹ COURSERA, *supra* note 102.

¹¹⁰ See, e.g., u/DonieBalonie, *How Much Are Completed Courses from Coursera Really Worth?*, REDDIT (Jan. 17, 2022), https://www.reddit.com/r/learnprogramming/comments/s6qmeh/how_much_are_completed_courses_from_coursera/; *How Much of an Impact Do Coursera Course Certificates Have in Hiring Decisions?*, REDDIT (Oct. 22, 2017), https://www.reddit.com/r/cscareerquestions/comments/781wz1/how_much_of_an_impact_do_coursera_course/; u/alizechicago, *Certifications That Lead to Jobs?*, REDDIT (Jan. 25, 2021), https://www.reddit.com/r/coursera/comments/l5608o/certifications_that_lead_to_jobs/.

¹¹¹ UDEMY, <https://perma.cc/475X-HAE4>.

¹¹² *Id.*

¹¹³ *Data Science Courses*, UDEMY, <https://perma.cc/FE4W-MLQA>.

¹¹⁴ *AWS Certification Courses*, UDEMY, <https://perma.cc/5GB8-EPAL>.

¹¹⁵ *JavaScript Courses*, UDEMY, <https://perma.cc/L798-4N9X>.

¹¹⁶ See *supra* notes 113-15. It is unclear whether prices presented with strikethroughs are ever actually the full prices charged to students, but they nevertheless appear to be the nominal full listed price of each course.

¹¹⁷ George Elford, *Why Employee Upskilling and Reskilling Is So Important Right Now*, FORBES (Dec. 21, 2020), <https://www.forbes.com/sites/forbestechcouncil/2020/12/21/why-employee-upskilling-and-reskilling-is-so-important-right-now/?sh=3b1719dd3302>.

¹¹⁸ *A Guide for Schools on Using Learn Now Pay Later*, MERATAS, (Feb. 22, 2022), <https://perma.cc/EJM9-WS3K>; Meratas (@Meratas), TWITTER (Feb. 22, 2022, 2:53 PM), <https://perma.cc/5TBS-RH8U>.

¹¹⁹ MERATAS, <https://perma.cc/P4AX-DPOZ>; See generally *Income Share Agreements*, STUDENT BORROWER PROTECTION CENTER, <https://protectborrowers.org/income-share-agreements-2/> (last visited Feb. 28, 2022).

¹²⁰ *A Guide for Schools on Using Learn Now Pay Later*, *supra* note 118.

¹²¹ *Id.*

¹²² MERATAS, *supra* note 119.

¹²³ *Id.*

¹²⁴ Maria Cid Medina, *San Francisco-Based Holberton Coding School Facing Fraud Accusations from Former Students*, CBS SF BAYAREA (Feb. 26, 2020), <https://sanfrancisco.cbslocal.com/2020/02/26/san-francisco-based-holberton-coding-school-facing-fraud-accusations-from-former-students/>.

¹²⁵ Vincent Woo, *Lambda School's Misleading Promises*, NEW YORK MAGAZINE (Feb. 19, 2020), <https://nymag.com/intelligencer/2020/02/lambda-schools-job-placement-rate-is-lower-than-claimed.html>.

¹²⁶ MERATAS, *supra* note 119.

¹²⁷ Highlights added.

¹²⁸ Press Release, Student Borrower Protection Center, SBPC Statement on California DFPI Consent Order with Income Share Agreements Servicer Meratas (Aug. 5, 2021), <https://protectborrowers.org/sbpc-statement-on-california-dfpi-consent-order-with-income-share-agreements-servicer-meratas/>.

¹²⁹ Swaminathan, *supra* note 11.

¹³⁰ Jennifer Surane, *PayPal Faces SEC Probe of Fees Paid to Bank Behind Debit Cards*, BLOOMBERG (July 29, 2021, 2:58 PM), <https://www.bloomberg.com/news/articles/2021-07-29/paypal-faces-sec-probe-of-fees-paid-to-bank-behind-debit-cards?sref=QRPBHRH8>.

¹³¹ Lydia Beyoud, *PayPal Misled Investors About Student Credit Product, Suit Says*, BLOOMBERG LAW (Dec. 17, 2021, 1:24 PM), <https://news.bloomberglaw.com/banking-law/paypal-misled-investors-about-student-credit-product-suit-says>.

¹³² *See infra* Appendix B.

¹³³ *See infra* Appendix B; Packet of For-Profit Schools with PayPal Credit Marketing, Student Borrower Protection Center, https://protectborrowers.org/wp-content/uploads/2020/08/marketing-packet_final.pdf.

¹³⁴ *Compare Cost and Financing*, ACCELERATED DENTAL ASSISTING PROGRAM OF TENNESSEE (captured July 24, 2020, 8:31 AM), <https://perma.cc/2TKC-SA3H> with *Cost and Financing*, ACCELERATED DENTAL ASSISTING PROGRAM OF TENNESSEE (captured Feb. 4, 2022, 5:45 AM), <https://perma.cc/GA35-BR3N>; *compare About Us*, DOG GROOMER ACADEMY (captured July 26, 2020, 5:30 PM), <https://perma.cc/H4TB-R5CU> with *About Us*, DOG GROOMER ACADEMY (captured Feb. 4, 2022, 6:03 AM), <https://perma.cc/Q22W-E4BE>; *compare Cost and Benefits of Home Inspector Training*, ATI TRAINING (captured July 26, 2020, 2:53 PM), <https://perma.cc/R59W-UQCX> with *Cost and Benefits of Home Inspector Training*, ATI TRAINING (captured Feb. 4, 2020, 5:50 AM), <https://perma.cc/UR4X-PUMV>.

¹³⁵ *Compare We accept PAYPAL within the United States*, HYPNOTHERAPY TRAINING INSTITUTE (captured July 23, 2020, 12:54 PM), <https://perma.cc/SEC6-7U5U> with *PayPal Sign-up Page*, HYPNOTHERAPY TRAINING INSTITUTE (captured Feb. 4, 2022, 7:50 AM), <https://perma.cc/S6UE-BJJE>; *compare Microblading Shading Training*, LISA OM (captured July 26, 2020, 3:08 PM), <https://perma.cc/P9EA-CRVN> with *Online Training*, LISA OM (captured Feb. 5, 2022, 5:31 AM), <https://perma.cc/6ZPA-42WC>; *compare Order Form*, PEAK BUSINESS ACADEMY (captured July 26, 2020, 6:01 PM), <https://perma.cc/B55V-QBC8> with *PEAK BUSINESS ACADEMY* (captured Feb. 5, 2022, 6:02 AM), <https://perma.cc/GS8F-UM5B>.

¹³⁶ *PayPal Credit*, INSTITUTE OF INFORMATION TECHNOLOGY, <https://perma.cc/N6RC-K3QE>.

¹³⁷ *Compare Learn Microblading with Master Kim Jang*, BEAUTY ANGELS ACADEMY USA (captured July 26, 2020, 3:32 PM), <https://perma.cc/8HGT-ZXHR> with *FAQ*, BEAUTY ANGELS ACADEMY USA (captured Feb. 4, 2022, 6:22 AM), <https://perma.cc/DQD9-ZEB2>.

¹³⁸ *Compare Elite Detailer Academy 2-Day Training Course*, ESOTERIC PRODUCTS (captured July 26, 2020, 6:25 PM), <https://perma.cc/2CKS-U94R> with *Elite Detailer Academy*, ESOTERIC EDUCATION (captured Feb. 4, 2022, 7:56 AM), <https://perma.cc/5KLB-BSBW>.

¹³⁹ *Compare ELITE BLOG ACADEMY* (captured July 19, 2020, 6:21 PM), <https://perma.cc/SJD7-777B> with *ELITE BLOG ACADEMY* (captured Feb. 4, 2022, 6:23 AM), <https://perma.cc/6BCN-4ACZ>.

¹⁴⁰ *Compare Kids Yoga Teacher Training*, YOGA HIVE WISCONSIN (captured July 26, 2020, 3:37 PM), <https://perma.cc/8W9E-7YFW> with *Kids Yoga Teacher Training*, YOGA HIVE WISCONSIN (captured Feb. 5, 2022, 5:47 AM), <https://perma.cc/LYG3-LC64>.

¹⁴¹ *Compare Coding Bootcamp Details*, JAXCODE (captured July 26, 2020, 5:29 PM), <https://perma.cc/T4HW-Q3PG> with *Coding Bootcamp Details*, JAXCODE (captured Feb. 4, 2022, 8:26 PM), <https://perma.cc/K5BX-L7X8>.

¹⁴² See *infra* Appendix B.

¹⁴³ Letter from Student Borrower Protection Center, *supra* note 66.

¹⁴⁴ See *infra* Appendix C.

¹⁴⁵ *Id.*

¹⁴⁶ *Professional Tattoo and PMU Training*, LISA DOLL ART, <https://perma.cc/9H8D-GW26>.

¹⁴⁷ *Lip Blush Training and Financing*, MERAKE BEAUTY, <https://perma.cc/KY9K-X3Q3>.

¹⁴⁸ *Training Class Financing*, ELITE PERMANENT MAKEUP AND TRAINING CENTER, <https://perma.cc/33FD-E62H>.

¹⁴⁹ See *infra* Appendix C.

¹⁵⁰ *Project Management Certificate*, INDIANA UNIVERSITY KELLEY SCHOOL OF BUSINESS, <https://perma.cc/2QUR-KUF6>; *Certification Training*, PENNSYLVANIA UNIVERSITY, <https://perma.cc/BG3U-5YZ4>.

¹⁵¹ See Memorandum from Sabita Soneji and Leora Friedman to Seth Frotman (Aug. 19, 2021), <https://protectborrowers.org/legal-analysis-and-need-for-increased-enforcement-of-the-student-loan-sunshine-act/>; Pushing Predatory Products, *supra* note 6.

¹⁵² Highlights and emphasis added.

¹⁵³ See, e.g., *Financial Aid*, SKYLINE SCHOOL, <https://perma.cc/B3KC-5VJ2>; *Finance*, ABC SECURITY, <https://perma.cc/N4PH-V45J>; PHYSICODE, <https://perma.cc/D2H6-UEGH>.

¹⁵⁴ SKYLINE SCHOOL, *supra* note 153.

¹⁵⁵ PHYSICODE, *supra* note 153.

¹⁵⁶ ABC SECURITY, *supra* note 153.

¹⁵⁷ Highlights and emphasis added.

¹⁵⁸ *Compare Terms and Conditions*, PAYPAL CREDIT (captured June 30, 2020, 9:56 AM), <https://perma.cc/T3WA-XJS4> with *Terms and Conditions*, PAYPAL CREDIT (captured Feb. 8, 2022, 8:15 PM), <https://perma.cc/B6K3-NKJV>.

¹⁵⁹ *Buy Now, Pay Later with Pay in 4*, PAYPAL, <https://www.paypal.com/us/digital-wallet/ways-to-pay/buy-now-pay-later> (last visited Feb. 28, 2022).

¹⁶⁰ See Testimony of Lauren Saunders, *supra* note 14.

¹⁶¹ *Compare Eyelash Extension Training*, LIZANO BEAUTY LOFT (captured July 26, 2020, 3:23 PM), <https://perma.cc/T5C3-5EFF> with *Disconnected Domain* (captured Feb. 8, 2022, 8:35 PM), <https://perma.cc/DN5G-XWE8>; *compare Financing*, GLOBAL SCALP ACADEMY (captured July 26, 2022, 3:04 PM), <https://perma.cc/NZ3T-5PW2> with <https://www.globalscalpacademy.org> *Is Coming Soon* (captured Feb. 8, 2022, 8:36 PM), <https://perma.cc/NNC2-PEDW>; *compare Registration for Seminars*, RELAX WITH SOUND (captured July 26, 2020, 6:22 PM), <https://perma.cc/344V-DWY9> with relaxwithsound.com *Is Parked Free* (captured Feb. 8, 2022, 8:36 PM), <https://perma.cc/MK2Q-RVDG>.

¹⁶² Press Release, Consumer Financial Protection Bureau, Consumer Financial Protection Bureau Opens Inquiry into “Buy Now, Pay Later” Credit (Dec. 16, 2021), <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-opens-inquiry-into-buy-now-pay-later-credit/>.

¹⁶³ *Buy Now, Pay More Later? Investigating Risks and Benefits of BNPL and Other Emerging Fintech Cash Flow Products: Hearing on H.R. 4277 Before the H. Comm. on Fin. Servs.*, 117th Cong. (Nov. 2, 2021), <https://financialservices.house.gov/events/eventsingle.aspx?EventID=408594>.

¹⁶⁴ Letter from Student Borrower Protection Center, *supra* note 66.

¹⁶⁵ Ann Carrns, *Consumer Groups Take PayPal to Task Over Student Loan Credit Line*, THE N.Y. TIMES (Aug. 21, 2020), <https://www.nytimes.com/2020/08/21/business/paypal-student-loans-synchrony.html>.

¹⁶⁶ Surane, *supra* note 130.

¹⁶⁷ Beyoud, *supra* note 131.



Appendix A: Institutions Marketing BNPL as Shadow Student Debt

Institution	Lender	Link
AFFPA	Affirm	https://perma.cc/C55X-YHZE
Amour Body Beauty Bar	Shop Pay	https://perma.cc/AS4B-736R
Angelic Wellness	Afterpay, Sezzle	https://perma.cc/2CAC-GCW7
Arched by Amaris	Sezzle	https://perma.cc/7BA7-2N3L
Art of Living Maui	Affirm, Zip	https://perma.cc/Q6WS-3TP5
Atlantis	Uplift	https://perma.cc/5S75-YNBD
Beauty Fx	Sezzle	https://perma.cc/M68G-AHEX
Blushington	Klarna, Zip	https://perma.cc/V9CM-PH3L
Brow Envy	Klarna	https://perma.cc/58HH-WMNN
Cali Beauty Center	Zip	https://perma.cc/828C-J4M4
Candy Brow Bar	Sezzle, Shop Pay	https://perma.cc/24XE-P8WL
CareerStep	Affirm	https://perma.cc/F6UW-Y3Q9
CLS by Barbri	Affirm	https://perma.cc/NM2V-9FMV
CompTIA	Affirm	https://perma.cc/4S3J-8Q3Y
Coursera	Zip	https://perma.cc/45LJ-JQAP
Crown'd	Sezzle, Shop Pay	https://perma.cc/M8VE-HTPP
DWoods Wigs	Klarna, Sezzle, Shop Pay, Zip	https://perma.cc/96MJ-MUD7
EC-Council iClass	Affirm	https://perma.cc/JQX3-HQX3
Haircation	Affirm	https://perma.cc/WU5G-KKN6
Halcyon Cosmetic Professional	Sezzle	https://perma.cc/T7Y3-N696
KB Beauty	Sezzle	https://perma.cc/X4EF-DQT2
LA Fire Card	Affirm	https://perma.cc/7HVC-X37A
Lashing on the Run	Sezzle	https://perma.cc/79FA-YA4W
LBLA Beauty	Klarna	https://perma.cc/L6JU-JRU7
London Lash	Afterpay	https://perma.cc/Q3PM-ATGK



Appendix A: Institutions Marketing BNPL as Shadow Student Debt

Institution	Lender	Link
Lukxbrows	Shop Pay, Zip	https://perma.cc/P4DS-3VTA
Lux'd Tresses	Sezzle	https://perma.cc/ST2P-RMRE
Made Institute	Affirm	https://perma.cc/VX9X-QVAX
Micro Artistry	Sezzle	https://perma.cc/BAR8-VGY5
Minks Beauty Institute	Klarna	https://perma.cc/WT8B-GJXZ
My Contractors License	Affirm	https://perma.cc/VV9W-GLNQ
Obsessions Beauty Bar	Klarna, Shop Pay	https://perma.cc/M2L6-FLLT
Omnia Lashes	Klarna	https://perma.cc/3V77-CA27
Pearl Lash	Zip	https://perma.cc/N8MA-QK36
Pretty Girls Waisted	Afterpay	https://perma.cc/4SCK-FWZN
Real Estate Institute	Affirm	https://perma.cc/2N8Y-QWGE
School of PE	Affirm	https://perma.cc/7GFG-AL4C
Sigma 3 Survival School	Affirm	https://perma.cc/FG6L-6UU6
Sugaplums Hair Collection	Klarna	https://perma.cc/B23S-7K58
Taylor Made Training Center	Sezzle	https://perma.cc/29GH-QKR2
Temptu	Sezzle	https://perma.cc/V37Z-62D7
The Artistry Vault	Shop Pay, Zip	https://perma.cc/D7XJ-2U6V
The Doll Factory	Zip	https://perma.cc/TE96-X9G3
The Luxury Club Academy	Affirm, Afterpay	https://perma.cc/W28U-HV7P
The Midwifery Institute	Affirm	https://perma.cc/NQ5P-R52J
The Switch Up Hair Solutions	Sezzle	https://perma.cc/5PX9-MDHM
Toya's Touch of Beauty	Sezzle	https://perma.cc/8J3S-VQBZ
Udacity	Affirm	https://perma.cc/K2GJ-VNV7
Udemy	Zip	https://perma.cc/CWU7-5KK2
Wig Academy	Klarna, Sezzle, Zip	https://perma.cc/PM5H-FR8L
Writing Workshops	Affirm	https://perma.cc/PZ6K-UNAC



Appendix B: Institutions that Continue to offer PayPal Credit for Tuition Financing

Institution	Then	Now
Abelson	https://perma.cc/UAM2-9U6W	https://perma.cc/WD4Q-446X
Accelerated Dental Assisting Program of Tennessee	https://perma.cc/2TKC-SA3H	https://perma.cc/GA35-BR3N
AFPA	https://perma.cc/N4UC-6855	https://perma.cc/Q3K5-UCUJ
Art of Beauty	https://perma.cc/27SX-RWTJ/	https://perma.cc/LE7J-RQ56
Assisting 101 School of Dental Assisting	https://perma.cc/W9BZ-VR2F	https://perma.cc/DZM3-JQNK
ATI Training Home Inspection Institute	https://perma.cc/R59W-UQCX	https://perma.cc/UR4X-PUMV
Baltimore REIA	https://perma.cc/BRZ4-X7N9	https://perma.cc/D8FZ-RVUP
Beauty Angels Academy USA	https://perma.cc/8HGT-ZXHR	https://perma.cc/DQD9-ZEB2
Boston University Online Paralegal Studies Certificate Program	https://perma.cc/DJ65-NHV9	https://perma.cc/937L-VFCS
California Makeup Academy	https://perma.cc/8P6U-SFDV	https://perma.cc/Q23E-JN4N
California Welding Institute	https://perma.cc/4B8V-F8V5	https://perma.cc/P9NA-HLWR
Central Career School	https://perma.cc/KM5X-H2MU	https://perma.cc/33EQ-W8CA
CES Real Estate School	https://perma.cc/LX84-HYNJ	https://perma.cc/7ZUH-6KK8
CGMA	https://perma.cc/B5BV-PSNV	https://perma.cc/9HBA-8QTM
CRe8 Music Academy	https://perma.cc/7DSC-MGQA	https://perma.cc/F4PK-L58V
Dog Groomer Academy	https://perma.cc/H4TB-R5CU	https://perma.cc/Q22W-E4BE
Elite Blog Academy	https://perma.cc/SJD7-777B	https://perma.cc/6BCN-4ACZ
Energetic Health Institute	https://perma.cc/Z2XZ-89E5	https://perma.cc/9RUU-KLCD
Esoteric Products	https://perma.cc/2CKS-U94R	https://perma.cc/5KLB-BSBW
Essential Oil Academy	https://perma.cc/F9UM-B2L2	https://perma.cc/2DC5-E75S
Executive Protection Institute	https://perma.cc/Y8DY-NXV4	https://perma.cc/732F-WPZS
Feather Touch Studio	https://perma.cc/CA9E-2WKY	https://perma.cc/9LQQ-PJ7R
Funkaar Institute	https://perma.cc/59YR-A3JW	https://perma.cc/P9TU-S9VH
Hypnotherapy Training Institute	https://perma.cc/SEC6-7U5U	https://perma.cc/S6UE-BJFJ
Institute of Information Technology	https://perma.cc/B8YQ-GP6A	https://perma.cc/N6RC-K3QE
Iron Cowboy	https://perma.cc/Q5DA-9YGH	https://perma.cc/X8AX-3XX3



Appendix B: Institutions that Continue to offer PayPal Credit for Tuition Financing

Institution	Then	Now
Jax Code	https://perma.cc/T4HW-Q3PG	https://perma.cc/K5BX-L7X8
Las Vegas School of Floral Design	https://perma.cc/GKC6-KGCY	https://perma.cc/AL43-J9N6
LearnBuildEarn	https://perma.cc/5UY9-64BX	https://perma.cc/D2PM-XQ6B
LivBay Lash	https://perma.cc/H9L4-QKA8	https://perma.cc/BGM6-FGPA
Los Angeles Makeup School	https://perma.cc/RV2J-RC72	https://perma.cc/S97D-JHXV
National EMS Institute	https://perma.cc/WLN2-2K99	https://perma.cc/6U3Z-HX8Y
Northeast Medical Institute	https://perma.cc/S2QA-4CVG	https://perma.cc/3MPE-495U
Nouveau Contour	https://perma.cc/8J5X-2MRH	https://perma.cc/39FZ-PG9W
OM Design Academy	https://perma.cc/P9EA-CRVN	https://perma.cc/6ZPA-42WC
Peak Business Academy	https://perma.cc/B55V-QBC8	https://perma.cc/GS8F-UM5B
Permanent Impressions	https://perma.cc/S59S-28XY	https://perma.cc/P3U8-9WDK
PhiAcademy	https://perma.cc/24GW-K5DM	https://perma.cc/4C8J-9C9A
Privé Academy	https://perma.cc/ZHN8-HWPH	https://perma.cc/ZV3Z-UGR3
Professional Mold Inspection Institute	https://perma.cc/YV2R-T93Q	https://perma.cc/LMC8-H8Z2
Ready to Pass	https://perma.cc/AYS9-QGAY	https://perma.cc/CW8D-CAJX
Real Estate U	https://perma.cc/P59S-DBDH	https://perma.cc/3RK8-MBC3
Salon Evolve Academy	https://perma.cc/Z5NT-SQGG	https://perma.cc/K465-RG7U
Silvera Jewelry School	https://perma.cc/996P-KWQ6	https://perma.cc/U9ZH-DGCU
Skinology Beauty Institute	https://perma.cc/S8GE-NMPK	https://perma.cc/QVD8-FH7C
Stroia School of Driving	https://perma.cc/6A7H-3A2P	https://perma.cc/J3AK-EAP7
The Refinery Lab	https://perma.cc/MH5Y-CLLZ	https://perma.cc/C84K-S2GH
Thomas Coyne Survival Schools	https://perma.cc/43T7-VUT5	https://perma.cc/25MH-5H33
US Trichology Institute	https://perma.cc/C2WY-5XDD	https://perma.cc/8EY6-TUJC
USMLE Success Academy	https://perma.cc/9MHZ-YNU7	https://perma.cc/M663-APMW
VetMed Academy	https://perma.cc/2TKB-37T5	https://perma.cc/DC38-2V9W
Yoga Hive Wisconsin	https://perma.cc/8W9E-7YFW	https://perma.cc/LYG3-LC64



Appendix C: Schools Newly Advertising PayPal Credit and/or PayPal Pay In 4 as Student Debt

Institution	Link
ABC Security	https://perma.cc/N4PH-V45J
Animal Reiki Classes	https://perma.cc/SRN8-8DJL
Beauty Brows Studio	https://perma.cc/G4UW-7LHL
Bend Hot Yoga Studios	https://perma.cc/LU2W-FN25
CellBotics Performance Training Center	https://perma.cc/N88S-ST3C
CLS by Barbri	https://perma.cc/NM2V-9FMV
Elastic Wax & Laser Center	https://perma.cc/JB2M-X692
Elite Permanent Makeup & Training Center	https://perma.cc/33FD-E62H
FALCON Professional Security and Training	https://perma.cc/DYK8-JSLL
GoLeanSixSigma	https://perma.cc/LQ83-2B8L
Indiana University Kelley School of Business	https://perma.cc/2QUR-KUF6
KR Training	https://perma.cc/YGF9-WAJJ
Lisa Doll	https://perma.cc/9H8D-GW26
Loop Abroad	https://perma.cc/BF9D-GU8Y
Love My Womb Academy	https://perma.cc/SR5M-NK56
Merakè Beauty	https://perma.cc/KY9K-X3Q3
MKU Training Institute	https://perma.cc/VY73-SHHM
National Academy of Future Physicians and Medical Scientists	https://perma.cc/AG5D-ADZD
Pharmaceutical Representative Training	https://perma.cc/8T8X-XU7Y
PhysiCode Healthcare Solutions	https://perma.cc/D2H6-UEGH
Powerride University	https://perma.cc/EYS6-UT46
Skyline School	https://perma.cc/B3KC-5VJ2
Technical Training Associates	https://perma.cc/QQ2H-PWMG
The Midwifery Institute	https://perma.cc/NQ5P-R52J
Thrive Yoga and Wellness	https://perma.cc/J9VH-NFQB
Transcribe Academy	https://perma.cc/9H7S-8L6K
Transylvania University	https://perma.cc/BG3U-5YZ4
Virtanza Career Pathways	https://perma.cc/F3WE-KN3Z
West Metro EMS Training Center	https://perma.cc/2LSM-P8PB
World Instructor Training Schools	https://perma.cc/PPN7-BKRQ