

## Shirley Adams

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**From:** Christopher Curtis <CCurtis@vtlegalaid.org>  
**Sent:** Tuesday, April 14, 2015 7:34 PM  
**To:** HOUSE\_COMMERCE  
**Subject:** FW: follow-up on one of your questions

Dear Committee Members,

While I sent this note to the Chair and Rep. Marcotte (based on his question), you may also find this information useful in your deliberation on the bill.

If there are other questions I can answer, please don't hesitate to contact me. Thank you!

Best, Christopher

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**From:** Christopher Curtis  
**Sent:** Tuesday, April 14, 2015 6:52 PM  
**To:** 'bbotzow@leg.state.vt.us'; 'mmarcotte@leg.state.vt.us'  
**Subject:** follow-up on one of your questions

Dear Reps. Botzow and Marcotte,

I want to thank you for your time today. Your committee has an opportunity to make a real difference to many Vermonters who engage in “rent-to-own” transactions. You heard from some consumers who are happy with the service provided. We are aware of consumers who were not so happy and I understand that Thursday there is an opportunity to hear from some of them. Even from supportive consumers, however, I didn’t hear anyone say they would oppose more reasonable rates – or at least disclosure of the rates – that the industry is providing. I also want to underscore that advocates do want low-income consumers to have access to basic household merchandise at a reasonable cost. Nobody is talking about simply forcing the industry out. What we hope you will consider are some elements of basic fairness in the transaction. It is true that for some this is the only place they can go. That is all the more reason to ensure that they are not gouged simply because they are very low-income or credit poor. On the contrary, those are the very Vermonters who should have some protections from overpaying. In this tough budget year my hope is that your committee can provide some relief to consumers who truly are paying more for merchandise than it is worth, most of whom never even get to ownership (a point conceded by the industry).

In committee today, the question arose: does the rent-to-own industry actually check credit?

The answer, according to Aaron's is unequivocally “yes.” Here is what their website says:

## We Help You Own It - No Credit Needed\*

**"No Credit Needed"** does not mean or imply that no inquiry will be made of credit history or creditworthiness. It means that this is not a credit transaction. [Aaron's may check credit history and creditworthiness](#), but no established credit history is necessary. Aaron's minimum lease requirements include, but are not limited to, a verified source of income, residence, and 3 references. Leasing online requires additional information (emphasis added).

Source: <https://www.aarons.com/storelocator.aspx?s=NJ>

As you can see by their advertising they promote the fact that “no credit is needed” but then go on to say that they do, in fact, “check credit history and creditworthiness...” (in the very fine print). Our position is that is misleading.

The same link also demonstrates that despite the court ruling in New Jersey treating rent to own transactions as “credit” or “finance” transactions, there is still a long and apparently healthy list of Aaron’s stores (at least 17) operating in New Jersey.

It is worth noting, however, that the industry is working diligently to undermine the protections set out in some of these cases. Please read this statement by the New Jersey Bar Association opposing an industry-backed bill that would undo the *Perez* decision I referred to today.

[http://www.njsba.com/images/assets/gov\\_relations/positionStatements/S1703A695POSITIONSTATEMENT.pdf](http://www.njsba.com/images/assets/gov_relations/positionStatements/S1703A695POSITIONSTATEMENT.pdf)

By contrast, Rent-A-Center clearly states that they do NOT check credit, but they do check references (4), employment, and residence (\*\*Pre-approved means no credit check and no credit needed. Agreement requires verification of residence, income and four personal references.): [http://www6.rentacenter.com/specials/spring-appliances?utm\\_campaign=sem-msn-rus-150318lms-springappliances-brandedlocations-geo-1025&utm\\_source=msn&utm\\_medium=sem&utm\\_term=brandedlocations&utm\\_content=geo](http://www6.rentacenter.com/specials/spring-appliances?utm_campaign=sem-msn-rus-150318lms-springappliances-brandedlocations-geo-1025&utm_source=msn&utm_medium=sem&utm_term=brandedlocations&utm_content=geo)

Here is also a link to a good synopsis of how the industry operates and even inflates its “buy it now” prices. The writer lives in Florida, but the industry essentially functions according to a model. It’s worth a read in my opinion.

<http://www.moneycrashers.com/rent-to-own-stores-furniture-appliances-computers/>

Thank you again for your consideration and your service to Vermonters.

Best, Christopher

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