

S.73 – An act relating to State regulation of rent-to-own agreements for merchandise  
House Committee on Commerce and Economic Development  
Thursday, April 09, 2015  
9:00 a.m., State Capitol, Room 35  
By  
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Dear Representative Botzow and Members of the Committee on Commerce and Economic Development.

I have been with BROC for approximately three and a half years. I have been in my current position of Energy Efficiency Coach since August 11<sup>th</sup> 2014. I conduct home visits for low income clients that have been approved to have their homes weatherized and also low income clients that are referred to us by Efficiency Vermont for the High Electric Use Initiative.

During my in-home visits, I install as many energy efficient measures as possible to help save energy and save the client money. I screen certain appliances for the age and energy usage of the appliance. I have come across many appliances that the clients rent-to-own and during conversations have learned what they are paying to own them and it's upsetting to say the least.

Here are some examples of some client's rent-to-own situations.

- Client #1 is renting a washer and dryer for \$38.00 per week. He stated that he been renting it for approximately one year. I was curious to know what the payoff was. He called while I was there, the payoff was \$1,800.00 even after paying on it for a year. He is also renting a freezer for \$105 per month and the payoff on that is \$589
- Client #2 is paying out \$61.46 per week for a dishwasher and a laptop for school. The dishwasher she said she needs due to a medical condition with her hands.
- Client #3 is paying \$123.39 per month on her washer and dryer the payout is \$2,188.78, the total cost of the washer and dryer at the end of the contract is \$3,450.49. She also has a queen bed and frame that is 148.99 per month (payout is \$341.73). Also a 43" TV which is \$50.47 per month (payout is \$323.54). Not sure how long she's paid on the bed and TV.

I feel that these people are being taken advantage. A lot of them are not sophisticated enough to understand the contract. They do not have the money to just go out and buy one. This shouldn't mean they should end up paying more than double what the merchandise is worth.

I believe that a cap on how much the rent-to-own companies can mark up their merchandise and/or an APR for the merchandise would be a good thing. As the way I see it now is they have a loophole.

Thank you for the opportunity to comment on this act.

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