



April 7, 2015

To Representative Botzow, Chair
House Commerce and Economic Development Committee
From: The Community Justice Network of Vermont
Re: S.73

The Community Justice Network of Vermont (CJNVT) supports the passage of S.73.

S.73 provides protections for Vermonters who engage in rent-to-own transactions. Associated costs of these transactions should be transparent and consumers should be aware of the true costs and interest or other charges associated with the goods.

Rent-to-own opportunities are especially attractive to low-income Vermonters. It enables them to access goods they could not afford if they had to purchase them outright. Unfortunately, they often get in above their heads and fall behind in their payments. They are often faced with the choice of making the payments to avoid severe penalties, or paying for essential needs in their daily lives, such as food, rent, or heat. This seems like an obvious choice, but the reality is that if they fall behind in their payments, they not only lose the goods, they also lose all the money they have already invested in them. They also run the risk of being sued and having their credit ruined.

Transparency is essential for rent-to-own transactions. Consumers need to be made aware of the actual cost of the goods compared to how much they will pay in a rent-to-own situation. Because of the high cost and interest on the goods, and the attraction to lower income Vermonters who engage in rent-to-own transactions will actually pay more for the same goods than others who buy the goods outright.

Consumer goods should be affordable and interest rates and charges should be reasonable. Rent-to-own businesses should not be allowed to prey on low-income consumers.