



TO: Senate Economic Development Committee  
Sen. Kevin Mullin, Chair  
Statehouse, 115 State Street  
Montpelier, VT 05633

FROM: Auburn Watersong, Associate Director of Public Policy

February 3, 2015

Dear Sen. Mullin and Members of the Committee:

Domestic violence victims are all too often victims of economic abuse at the hands of their partners. Abusers use many tactics to control victims, including financial control and willful destruction of the victim's credit report and score. Victims must then find other ways to access resources in order to meet their needs and the needs of their children. Victims who relocate to escape abuse are often in desperate need of furniture and household items, with precarious financial circumstances and a strong desire for stability after such trauma. It is in times like these that victims are most financially vulnerable and may be more willing to accept enticing offers from businesses that provide those essentials at outrageous interest rates, thereby profiting from a victim's crisis.

In our work with domestic violence victims, we espouse the belief that knowledge is power. In circumstances in which a victim finds herself lured by rent-to-own options, at the very least, the rent-to-own center must be required to fully disclose all interest information in plain and accessible language. The renter must be fully knowledgeable of how much of her money is going toward interest alone prior to signing any agreement. Victims – and all potential customers – must be provided accurate information which allows them to fully assess the risk and fully understand the *real* expense of such an undertaking.

It is also important to consider whether these businesses are asking a fair price for the cost of the rented items. Given that many of the items are used and yet still cost more than two and a half times the cash price of a comparable item, there is a need to consider what parameters can be put in place to protect the interest of the consumer. Many of the victims that we serve are recovering from trauma, healing from crisis and living in poverty. Any Vermonter who has been a victim of any abuse, including economic abuse, at the hands of another, should be able to rest assured that they are protected by state law from yet another

form of economic abuse at the hands of businesses offering enticing deals that trade a short-term illusion of stability for long-term economic ruin.

For these reasons, we urge you to support legislation requiring that rent-to-own centers in Vermont fully disclose the interest rate on every available piece of merchandise and that caps the total amount that may be charged by the industry. Disclosure and affordability are critical issues we hope your committee will address on behalf of all Vermont's domestic violence victims and their families.

Thank you.