



WISCONSIN CATHOLIC CONFERENCE

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ARCHBISHOP LISTECKI AND COMMUNITY LEADERS OPPOSE RENT-TO-OWN CHANGES

At a press conference on Friday, April 26, Milwaukee Archbishop Jerome E. ListECKi expressed his opposition to a provision in the state budget that would exempt rent-to-own (RTO) businesses from key provisions of the Wisconsin Consumer Act (WCA).

Speaking at the Hispanic Chamber of Commerce of Wisconsin in Milwaukee, Archbishop ListECKi joined the Chamber's President and CEO, Maria Monreal-Cameron, Lutheran Bishop Jeff Barrow of the Greater Milwaukee Synod of the ELCA, Senator Glenn Grothman (R-West Bend), Senator Lena Taylor (D-Milwaukee), Bruce Speight, director of the consumer advocacy group WISPERG, and others.

The RTO industry provides consumers household goods, such as appliances, furniture, and audio-visual equipment, through self-renewing installment payments with interest rate charges as high as 200-300 percent. Customers can cancel payments at any time by returning the merchandise to the store. However, 70 percent of RTO consumers end up purchasing items outright, usually at costs that are significantly higher than the market retail price.

Wisconsin treats RTO agreements as consumer credit transactions as there is a significant difference between the market value of the merchandise and the purchase cost for consumers. As such, RTO stores have to abide by the WCA and post annual percentage rates (APRs), which help customers compare products and make informed decisions.

Those who spoke out in opposition to the proposed WCA exemption noted that several Wisconsin-based RTO companies can and do currently operate in our state. These community leaders argued that RTO companies should not receive special treatment, allowing them to conceal from their customers the true cost of purchases.

Archbishop ListECKi emphasized the "preferential love" of the Church for the poor, and noted that the Church's teaching, which affirms that "economic activity must be at the service of the human person," motivated him to speak out.

"What Catholic Charities staff tell me is that all too often people living in poverty end up paying far more for goods and services than the rest of us." ListECKi continued, "Our agencies educate clients to compare prices and interest rates – a task made more difficult if the government allows businesses to conceal the true cost of an item by not disclosing the annual percentage rate. Simply put, public policies should not encourage businesses that depend on financial ignorance and debilitating debt." The Archbishop then quoted Pope Benedict XVI's encyclical, *Deus*

Caritas Est, “the market is not, and must not become, the place where the strong subdue the weak.”

Observing the Church’s long opposition to usury, the Archbishop asserted that “Government has a responsibility to ensure that the market operates in a free, transparent, and honest manner. This is why the Wisconsin Consumer Act is so valuable. It ensures that consumers are not misled or exploited.”

Listecky concluded his remarks by strongly urging legislators to remove the rent-to-own provision from the state budget and reiterating the recent plea of Pope Francis, “Do not forget the poor.”

Previous to this event, the bishops of Wisconsin publically stated their opposition to the rent-to-own exemption through the Wisconsin Catholic Conference (WCC), the public policy voice of Wisconsin’s bishops. The WCC, at its *Catholics at the Capitol* event and in other writings, has asked Catholics to contact their legislators immediately and urge opposition to the RTO provision, echoing the sentiments of Archbishop Listecky, namely that rent-to-own transactions are predatory and constitute usury; public policies should not encourage businesses that depend on ignorance and indebtedness; and low-income families and individuals are those most likely to lose money and go into debt.

A copy of the Archbishop’s statement is available in the “News” section of the Archdiocese of Milwaukee’s website, <http://www.archmil.org/Current-News.htm>. Additional information on the WCC’s opposition to the rent-to-own provision can be found in the WCC’s Issue Brief, available under the heading “What’s New” at <http://www.wisconsinatholic.org>.

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