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Faith, Consumer Groups Oppose Roll-Backs of Rent-to-Own Consumer Protections

Legislature Considers Scaling Back Protections Through Budget Wrap-Up Motion

MADISON – The Joint Finance Committee (JFC) is considering exempting the rent-to-own (RTO) industry from important consumer protections in its last minute budget wrap-up motion. A coalition of faith and consumer groups today [issued a letter](#) urging legislators not to include such roll-backs in the Motion 999. In particular, the groups urged the JFC not to exempt rent-to-own businesses from having to disclose interest rates for RTO transactions.

“Disclosing interest rates on rent-to-own transactions is crucial to maintaining a level playing field between consumers and the RTO industry,” **said Peter Skopec, Director of the Wisconsin Public Interest Research Group (WISPIRG)**. “Exempting RTO transactions from the Wisconsin Consumer Act would reduce market transparency and strip consumers of vital protections, with detrimental impacts for Wisconsin families and individuals.”

“Our opposition to this proposal is grounded both in Catholic social teaching – with its emphasis on the dignity of human life and special concern for the poor and marginalized – and in the practical experience of those in Catholic agencies, such as Catholic Charities and St. Vincent de Paul, who regularly minister to families in economic need,” **added Kim Wadas, Executive Director of the Wisconsin Catholic Conference**.

Rent-to-own transactions are high-interest loans that require customers to make weekly or monthly payments in order to immediately take home merchandise such as furniture, appliances or consumer electronics. Consumers have the option of owning the merchandise outright after a required number of payments, with astronomical interest rates. A 2013 [WISPIRG survey](#) found that rent-to-own businesses routinely charge customers 1½ to 12 times what consumers would pay in a traditional retail store for the same merchandise.

“It is a tragic circumstance of poverty that those who are least able to pay for goods often end up paying the most,” **concluded Wadas of the Wisconsin Catholic Conference**. “Public policy should not compound that tragedy by encouraging business practices to proliferate in our state that take undue advantage of the poor.”

[The letter](#), which is addressed to members of the Joint Finance Committee and legislative leadership, was signed by WISPIRG, Wisconsin Catholic Conference, Lutheran Office for Public Policy in Wisconsin, Wisconsin Council of Churches, UW Law School Consumer Law Clinic, End Domestic Abuse WI, Catholic Charities Bureau for the Diocese of Superior, Catholic Charities for the Diocese of Green Bay, Catholic Charities of the Diocese of La Crosse, Catholic Charities of Madison, Society of St. Vincent de Paul – Madison, St. Vincent de Paul Society of Milwaukee, St. Joseph Conference of the Society of St. Vincent de Paul, and the Milwaukee Archdiocesan St. Vincent de Paul Voice of the Poor Committee.