



## WISCONSIN CATHOLIC CONFERENCE

TO: Members, Joint Committee on Finance

FROM: John Huebscher, Executive Director

DATE: June 15, 2015

RE: Rent-to-Own in State Budget

---

The Wisconsin Catholic Conference asks that you oppose any motion to reduce or remove regulation of rent-to-own transactions in your deliberations on the 2015-17 state budget.

Our opposition to such a 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.

Staff at Catholic Charities and St. Vincent de Paul tell us that rent-to-own agreements, and similar transactions that burden people with high interest rates and expensive loan agreements, are major causes of financial hardship for low-income families. This was affirmed by the Archbishop of Milwaukee, Jerome E. ListECKi, in a statement he made two years ago when the 2013 budget was being deliberated (Attachment).

Currently, Wisconsin is one of a handful of states that treats rent-to-own transactions like credit transactions and requires the disclosure of interest rates. We think it is significant that in the time that rent-to-owns in Wisconsin have been obligated to disclose APRs, there have been far fewer complaints than in other states.

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

For these reasons, we respectfully urge you to retain current law, which requires the rent-to-own industry to abide by the Wisconsin Consumer Act.

Attachment

Cc: Senate Majority Leader Scott Fitzgerald  
Assembly Speaker Robin Vos



## Archbishop Speaks Out Against Rent-To-Own Companies

RENT-TO-OWN PRESS CONFERENCE

Hispanic Chamber of Commerce - Milwaukee

April 26, 2013

I am here today because, as our Catechism states, “those who are oppressed by poverty are the object of a preferential love on the part of the Church.” (CCC 2448) And, because the Catholic tradition has consistently taught that economic activity must be at the service of the human person.

As a Church, we are committed to assisting those in need through our various charitable agencies. But, we also need to speak up when public policies threaten to make people more vulnerable to exploitative practices.

When I was Bishop of La Crosse, I saw first-hand the excellent work that our Catholic Charities agency does to help clients overcome their financial difficulties. The St. Lawrence Community Services counselors at Catholic Charities help with everything from budgeting, financial literacy, bankruptcy counseling, mentoring, and charitable assistance.

Here in Milwaukee, Catholic Charities’ Community Outreach Services provides crisis intervention and case management services to individuals facing financial or other kinds of difficulty.

What Catholic Charities staff tells me is that all too often people living in poverty end up paying far more for goods and services than the rest of us. All too often, residents in poor communities are not able to benefit from competitive pricing, but rather they become the targets of businesses that charge high prices and even higher interest rates.

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. As Pope Benedict XVI has written, “[T]he market is not, and must not become, the place where the strong subdue the weak.” (Deus Caritas Est, 36)

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.

I strongly urge legislators to remove the rent-to-own provision from the state budget. In the words of Pope Francis, “Do not forget the poor.”

The Most Reverend Jerome E. ListECKI  
Archbishop of Milwaukee

**Published:**04/26/2013