



## WISCONSIN CATHOLIC CONFERENCE

### STATEMENT ON RENT-TO-OWN LEGISLATION

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Our insights on this legislation are grounded both on Catholic social teaching and the practical experience of those in Catholic agencies such as Catholic Charities and St. Vincent De Paul programs who minister directly with families in economic need.

Our tradition calls on us to evaluate all areas of life in terms of their impact on the life and dignity of the human person and on the common good. When it comes to economic policies, we are also called to take special note of how such policies affect the poor and vulnerable.

Those Catholic Charities staff who engage in family financial counseling tell us that rent-to-own agreements and other transactions that burden people with high interest rates and expensive loan agreements are major causes of family financial hardship.

St. Vincent de Paul Society emphasizes direct service and does relatively little advocacy. However, the leadership of St. Vincent de Paul in Milwaukee is making issues involving credit arrangements a major advocacy priority because of the linkage they see between such practices and the problems of the families they help.

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 encourage business practices that tend to take undue advantage of the poor in our state.

We recognize that the free market is an efficient instrument for utilizing resources and effectively responding to needs. But free markets must be truly competitive and they can only be so where all the relevant information is disclosed so that customers can readily compare product quality, prices, financing, etc.

It is this absence of full and fair disclosure in the present bill that causes the WCC to have strong reservations about it. Despite some improvements over previous proposals, this bill still fails to provide sufficient protections to consumers, most notably those with fewest resources who are also likely to be the least informed.

The bill also serves to weaken the Wisconsin Consumer Act by permitting self-help repossession and shortening the default period. We must ask, if rent-to-own companies were to gain these concessions, why shouldn't other industries be allowed to follow?

For these reasons, the rent-to-own proposal weakens consumer protection for many who need it most. It should not be adopted