

TO: Members of the Wisconsin State Legislature
DATE: January 28, 2026
RE: Opposition to SB 737 and AB 742, Lease Purchase Agreements

Dear Senators and Representatives,

The undersigned faith-based groups respectfully urge you to oppose [Senate Bill 737](#) and [Assembly Bill 742](#), which would weaken consumer protections related to lease-purchase, also known as rent-to-own (RTO), financial transactions. As faith-based organizations we have a duty to speak up in defense of individuals living in or close to poverty, which is the demographic that the RTO industry targets. To preserve transparency in the financial marketplace and to maintain real consumer protections, we continue to insist, as we did in 2017, that RTO transactions must remain subject to the Wisconsin Consumer Act (WCA). Indeed, it must be stressed that nothing in the WCA prohibits existing RTO stores from operating in Wisconsin today.

How consumers are harmed by RTO

RTO transactions are high-cost loans, in which customers agree to make weekly, bi-weekly or monthly payments to immediately take home merchandise – commonly furniture, appliances or electronics. Customers have the option to make a series of required payments in order to own the merchandise outright, or to return the merchandise at any time to cancel, after paying any late or other fees. While the majority of consumers hope to obtain ownership of the goods they lease, most end up voluntarily or forcibly surrendering them. A January 2026 memo from the National Consumer Law Center (NCLC) on SB 737 and AB 742 notes that

RTO dealers benefit when the transaction fails, as they get the property back to re-rent.
For consumers, RTO transactions generally only create the illusion of potential ownership, as more than seven out of ten customers are unsuccessful.¹

Despite the RTO industry's contention that it should be exempt from the WCA because it offers leases and not credit, the Wisconsin Court of Appeals and the Wisconsin Department of Financial Institutions have consistently treated RTO agreements as consumer credit sales under the WCA.² The WCA requires RTO businesses to disclose annual percentage rates (APR) related to these transactions, something that the bill's proponents do not want to do. However, APR disclosure requirements are critical in helping Wisconsinites compare financial products and allowing them to make informed financial decisions. According to the NCLC, the cost of purchasing an item through an RTO transaction is an effective APR of more than 130%, sometimes climbing as high as 311% percent.³

The NCLC 2026 memo also points out that SB 737 and AB 742 do not provide other meaningful consumer protections, such as caps on interest rates or true safeguards for repossession, cancellation, or liability. Nor do they cap the percentage above cash sale price.

RTOs market to, and engage with, America's poorest consumers. A 2019 NCLC report found that nearly 4 in 5 RTO customers earn less than \$40,000 annually, and 3 in 5 are racial or ethnic minorities.⁴ RTO customers typically pay more than double the price of a product.⁵ The Wisconsin Department of Financial Institutions website states:

Purchasing merchandise from a Rental-Purchase store usually costs more than purchasing the merchandise from a department or appliance store. In reviewing agreements from the industry, the Department of Financial Institutions has found on average this expense to be between two to five times as much.⁶

In other words, individuals struggling to make ends meet end up paying more. That is not solving an affordability crisis, it is worsening it.

What makes these bills even worse than previous versions?

What makes SB 737 and AB 742 even more concerning than past RTO proposals is that they have been introduced at the behest of an out-of-state virtual rent-to-own (VirTO) company.⁷ VirTO is a fintech innovation that operates without the use of proprietary physical stores. Instead, "a third-party VirTO provider purchases the desired product from a brick-and-mortar retailer and then rents the product back to the consumer. The entire transaction between the retailer and VirTO company occurs online...."⁸ For example, Progressive Leasing partners with retailers like Best Buy, Walmart, Apple, Mattress Firm, Kay Jewelers, and others. With these kinds of partnerships, even more consumers could be lured into predatory transactions.

Furthermore, should the fintech RTO industry enter Wisconsin and be regulated outside of the WCA, it is only a matter of time before other out-of-state operators begin offering services such as vehicle repairs and pet ownership, as has happened in other states.⁹ In those instances, what reinstatement rights can consumers possibly have?

Before rushing to pass these bills, it is imperative that lawmakers understand the long-term implications of changing regulations to reduce consumer protections for all RTO transactions and particularly for VirTO transactions.

Our Ask: Oppose these bills and support the consumer protections in the WCA

All too often those who are least able to pay for goods often end up paying the most. Government should not compound this injustice by encouraging predatory business practices that take advantage of financial hardship.

State-based RTOs currently operate in Wisconsin under the WCA. As faith-based groups, we are not trying to ban them. We simply insist that Wisconsin law continue to treat them, and any out-of-state businesses, as it does other consumer financial entities, namely as subject to the WCA, which offers some of the strongest consumer protections in the nation.

Government cannot control the financial choices that people make, but it has the duty to ensure that the market operates in a free, transparent, and honest manner. Government must not give predatory businesses special concessions to impoverish the most vulnerable, sometimes leading to financial ruin, evictions, family breakdown, increased crime, poorer educational outcomes, etc.

We ask that you read the attached letter from the Society of St. Vincent de Paul-District Council of Madison, which sees “firsthand the consequences of predatory financial practices.”

For all these reasons, we respectfully urge you to oppose SB 737 and AB 742.

Wisconsin Catholic Conference

Wisconsin Council of Churches

Lutheran Office for Public Policy in Wisconsin

Catholic Charities of the Archdiocese of Milwaukee

Catholic Charities of the Diocese of Green Bay

Catholic Charities of the Diocese of La Crosse

Catholic Charities of the Diocese of Madison

Catholic Charities Bureau of the Diocese of Superior

Society of St. Vincent de Paul – District Council of Madison

¹ National Consumer Law Center, *Analysis of Impact of Pending Bills on Rent-to-Own in the Wisconsin Legislature* (January 2026), <https://www.wisconsincatholic.org/wp-content/uploads/2026/01/NCLC-Analysis-of-Wisconsin-RTO-bills-2026.pdf>.

² *Rent-A-Center, Inc. v. Hall*, 181 Wis. 2d 243, 510 N.W.2d 789 (Ct. App. 1993), law.justia.com/cases/wisconsin/court-of-appeals/1993/92-2650-6.html; *LeBakken Rent-To-Own v. Warnell*, 223 Wis.2d 582, 589 N.W.2d 425 (Ct. App. 1998), www.wicourts.gov/ca/opinion/DisplayDocument.pdf?content=pdf&seqNo=14095.

³ This information is summarized in NCLC’s chapter on rent-to-own transactions, Chapter 14, National Consumer Law Center, Consumer Credit Regulation (4th ed. 2025), library.nclc.org/book/consumer-credit-regulation.

⁴ National Consumer Law Center, *The Rent to Own Racket: Using Criminal Courts to Coerce Payments from Vulnerable Families* (2019), www.nclc.org/wp-content/uploads/2022/09/report-rent-to-own-racket.pdf.

⁵ Jim Hawkins, *Renting the Good Life*, 49 Wm. & Mary L. Rev. 2041 (2008), scholarship.law.wm.edu/wmlr/vol49/iss6/4.

⁶ Wisconsin Department of Financial Institutions, *Rent-to-Own Agreements (Rental-Purchase Agreements)* dfi.wi.gov/Pages/ConsumerServices/WisconsinConsumerAct/RentToOwn.aspx.

⁷ Progressive Leasing, proleasing.com.

⁸ Floyd, Carrie, *New Tech, Old Problem: The Rise of Virtual Rent-to-Own Agreements* (August 1, 2023). 65 Boston College Law Review 3 (2024) pg. 763-832, dx.doi.org/10.2139/ssrn.4551827.

⁹ *Danger v. Nextep Funding, LLC*, 355 F.Supp.3d 796 (D. Minn. 2019), docs.justia.com/cases/federal/district-courts/minnesota/mndce/0:2018cv00567/172000/82.



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January 21, 2026

Statement from the Board of Directors of St. Vincent de Paul – Madison to Members of the Wisconsin Legislature

In Solidarity with the Wisconsin Catholic Conference

On behalf of the Board of Directors of the District Council of Madison, Society of St. Vincent de Paul (SVdP–Madison), we join the Wisconsin Catholic Conference in strong opposition to Senate Bill 737 and Assembly Bill 742, which would exempt rent-to-own and lease-purchase agreements from the Wisconsin Consumer Act.

Our opposition is grounded in Catholic social teaching and in our daily experience accompanying neighbors who are struggling to meet basic needs. As the Wisconsin Catholic Conference has articulated, the economy must serve people—not exploit them. Weakening long-standing consumer protections would disproportionately harm families already facing poverty, housing instability, and financial insecurity.

At SVdP–Madison, we see firsthand the consequences of predatory financial practices. Families frequently come to us burdened by high-cost contracts like payday and auto-title loans that drain limited incomes and undermine long-term stability. As the Church teaches, exploiting the hardship of another through unjust lending practices is morally wrong and erodes human dignity.

Wisconsin does not need to expand access to harmful financial products. Instead, we urge lawmakers to invest in and support **proven, ethical alternatives** that meet essential household needs without trapping families in cycles of debt.

SVdP–Madison operates a **microloan program** that provides affordable, mission-driven financing for individuals who lack access to traditional credit. These loans allow families to purchase critical household items such as beds, appliances, and basic furnishings while building financial stability and credit history. With partnership from financial institutions, foundations, and public programs, this model can be expanded and replicated across the state as a responsible alternative to rent-to-own agreements.

In addition, SVdP–Madison operates **furniture and household goods voucher programs** that furnish approximately **75 to 90 apartments each month** for families transitioning out of homelessness, domestic violence, or severe housing instability. Through collaboration with donors and our retail operation, we provide essential items at no cost to households in need, including free delivery as needs and capacity allow. This replicable model demonstrates that communities can meet material needs without placing families under predatory financial burdens.

Wisconsin has long been a national leader in consumer protection. As the Wisconsin Catholic Conference noted, the Wisconsin Consumer Act ensures transparency, fairness, and accountability in the marketplace. Exempting the rent-to-own industry from these protections would weaken safeguards that have served Wisconsin families well and invite practices that worsen economic hardship rather than relieve it.

We respectfully urge you to reject Senate Bill 737 and Assembly Bill 742 and to uphold the protections of the Wisconsin Consumer Act. We further invite policymakers to partner with nonprofit organizations, faith communities, and financial institutions to expand ethical lending programs and charitable assistance models that promote dignity, stability, and true economic inclusion.

Respectfully submitted,

Dr. James Porter, President

Board of Directors

District Council of Madison
Society of St. Vincent de Paul