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Contact: Rep. Gordon Hintz  
1-608-266-2254

## Keep Rent-to-Own Out of the State Budget

**MADISON** – As the Joint Finance Committee prepares to finalize the state budget, Representative Gordon Hintz (D- Oshkosh) called on the JFC Co-chairs to leave changes on behalf of the predatory “Rent-to-Own” industry out of the legislation.

In the previous 2013-15 state budget, Governor Walker included a provision exempting the rent-to-own industry from the Wisconsin Consumer Act, a change that would prohibit crucial disclosure and legal protections for consumers. However, the Joint Finance Committee removed the provision from the budget with a bipartisan vote. A search on the state’s “Eye on Lobbying” website shows that Jeffrey Lebakken, President of the Wisconsin Rental Dealers Association, retained four lobbyists in the middle of the current budget process whose efforts are directed toward *“Development, drafting, or introduction of a proposal relating to regulation of the rent-to-own industry”*. However, no such proposal has been introduced as a standalone bill.

**“Let’s be clear,” said Rep. Hintz, “Rent-to-own companies can and do already operate legally in Wisconsin. But now this predatory industry wants to eliminate requirements to disclose their APRs to consumers or comply with other pesky transparency hassles under the Wisconsin Consumer Act. Rent-to-own lenders are a common pervasive presence in low-income communities nationwide; they target the young and financially inexperienced, and even undermine our service men and women in the United States Military.”**

The State Court of Appeals and federal district court have ruled that “rent-to-own” transactions are the same as any other transactions where property is purchased over time and a finance charge is involved. As such, they are governed by the Wisconsin Consumer Act. In a 2012 hearing, rent-to-own industry representatives testified that 38 stores existed in Wisconsin and estimated that changes in transparency requirements would expand the presence of rent-to-own stores in our state to over 300 locations.

**“More disclosure means better personal decision making,” said Rep. Hintz. “By exempting rent-to-own from the Consumer Act, these businesses can profit from our citizens’ ignorance and indebtedness. Democrats and Republicans have demonstrated willingness in the past to stand together against predatory businesses that profit from confusion and deception. Recognizing the moral and financial responsibility to our neighbors should continue to be a bipartisan principle.”**

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