

THE RENT-TO-OWN RACKET

Using Criminal Courts to Coerce Payments from Vulnerable Families

February 2019

By

Brian Highsmith and
Margot Saunders
National Consumer Law Center®

ABOUT THE AUTHORS

Brian Highsmith is a Skadden Fellow at the National Consumer Law Center (NCLC), working on criminal justice debt and the criminalization of poverty in various consumer law contexts. His litigation and advocacy aims to address the different ways that interactions with our criminal legal system result in unfair and unaffordable financial obligations for low-income families. Previously, he worked on domestic economic policy with a focus on income support programs and fiscal policy—including as an advisor at President Obama’s National Economic Council, the Center on Budget and Policy Priorities, and the office of Senator Cory Booker. Brian is a graduate of Yale Law School and Furman University; he is admitted to the Maryland bar.

Margot Saunders is Senior Counsel to the NCLC after serving as managing attorney of the organization’s Washington, D.C. office from 1991 to 2005. Margot has testified before Congress more than two dozen times regarding a wide range of consumer law issues, including predatory mortgage lending, high cost small loans, payments law, electronic commerce, protecting benefits in bank accounts, privacy issues, and robocalls. She was the lead advocate on the passage of the Home Ownership and Equity Protection Act, the development of the Treasury Rule protecting exempt benefits, and many other initiatives. Margot has served as an expert witness in over 50 consumer credit cases in more than 20 states, providing opinions on predatory lending, electronic benefits, servicing, and credit math issues in individual and class cases. She is a co-author of NCLC’s *Consumer Banking and Payments Law*, many articles, and a contributor to numerous other manuals. Prior to joining NCLC, she was the consumer law specialist for North Carolina Legal Services. In 1991, Margot was the second recipient of the Vern Countryman Award. She is a graduate of Brandeis University and the University of North Carolina School of Law.

ACKNOWLEDGEMENTS

Special thanks to the Annie E. Casey Foundation for supporting this project. The authors also wish to thank Mary Kingsley for research assistance and to Abby Shafroth, Carolyn Carter, and Jan Kruse for editing, and to Julie Gallagher for layout assistance.



ABOUT THE NATIONAL CONSUMER LAW CENTER

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low income and other disadvantaged people, including older adults, in the United States. NCLC’s expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION.....	4
THE RENT-TO-OWN INDUSTRY STRUCTURES ABUSIVE TRANSACTIONS TO AVOID CONSUMER PROTECTIONS	5
THE RENT-TO-OWN INDUSTRY TARGETS VULNERABLE CONSUMERS, PARTICULARLY LOW-INCOME PEOPLE OF COLOR	7
THE RENT-TO-OWN INDUSTRY USES THE THREAT OF CRIMINAL CHARGES TO ENFORCE ITS ABUSIVE CONTRACTS	8
STATE LAWS CRIMINALIZING THEFT OF RENTAL PROPERTY VARY WIDELY	12
APPLYING RENTAL THEFT LAWS TO RENT TO OWN TRANSACTIONS	12
<i>Severity of crime and valuation of rental property</i>	13
<i>Intent standard</i>	13
<i>Time to return property after notice</i>	14
<i>Return of property or ineffective notice as an affirmative defense</i>	14
<i>Consumer protections</i>	15
POLICY RECOMMENDATIONS	15
<i>Top-Tier Recommended Reforms</i>	16
<i>Second-Tier Reforms</i>	17
APPENDIX.....	19
ENDNOTES	21

EXECUTIVE SUMMARY

In states across the country, the rent-to-own (RTO) industry is abusing the criminal system to extract payment from low-income consumers who have fallen behind on payments on abusive contracts. Under little-known laws often written years ago by the industry lobby, RTO companies are able to turn a dispute over a furniture set into threats of arrest, felony theft charges, and even incarceration. The objective of these efforts is not to discourage intentional theft, but rather to compel low-income consumers to make payments they cannot afford on predatory RTO contracts.

This report examines this practice and the statutes that authorize it. According to the National Consumer Law Center's (NCLC) review, every state except three has a law that could be used to criminalize the failure to return rental property at the end of the lease term. As a result, vulnerable families on tight budgets who have lost the ability to keep up with onerous payments—due to common misfortunes like loss of income, rent increases, an accident or illness, divorce, or the need to care for a family member in distress—face devastating criminal consequences. This is true even in cases where the customers have already paid thousands of dollars on predatory contracts that are designed to escape important consumer protections.

The RTO Industry Targets Vulnerable Consumers and Structures Abusive Transactions to Avoid Consumer Protections

RTO businesses are typically appliance, electronics, and furniture retailers that arrange lease agreements for customers who cannot purchase goods with an upfront payment in full. About 4.8 million households are RTO customers annually. Although most of these customers enter the transactions with the expectation of buying an appliance or a computer, the transactions are structured so that customers obtain ownership only after the successful completion of months of payments (typically from 18 to 60 months). Nearly 4 in 5 RTO customers earn less than \$40,000 annually, and 3 in 5 are racial or ethnic minorities.

For families without access to savings that could be used to pay the full retail price, RTO contracts are effectively used to finance the purchase. Every RTO transaction involves very high and undisclosed effective interest rates, in which the customer generally pays as much as *two to three* times what a customer would pay with cash in a traditional retail store for the same appliance. Yet the industry, through industry-friendly legislation, has largely succeeded in maneuvering its contracts out of range of most federal and state consumer protection laws.

The RTO Industry Uses the Threat of Criminal Charges to Enforce its Abusive Contracts

As a result of the industry's efforts to avoid meaningful consumer protections, RTO transactions are both exorbitantly expensive and targeted at those who can least afford it. But even worse, the RTO industry uses the criminal system to extract wealth from low-income consumers by using the threat of arrest and criminal sanctions to obtain payments, and by initiating criminal theft charges against borrowers who fall behind on payments. In doing so, the RTO industry—enabled by state criminal statutes and prosecutors' offices—contributes to the criminalization of poverty and the resurgence of “debtors' prisons” that were formally abolished long ago.

In many states, if customers miss the payments that renew the RTO contract, and do not promptly return the goods, they can face criminal theft charges—even when they have already paid substantial amounts toward the purchase of the product. That’s because, under the terms of an RTO contract, ownership is transferred to the consumer *only* after successful payment of all the sums due for the transfer of ownership under of the contract. A single missed payment gives the rental company (the legal owner) the right to possession of the rented merchandise. And under many state laws, that right to possession allows the RTO dealer to pursue criminal theft charges when the consumer fails to return the merchandise after a missed payment.

RTO companies can thus use arrest, or the threat of arrest, to intimidate struggling customers into making payments. Charges may even be brought against individuals who have already paid the full retail value of the goods, but simply have not paid the excessively high effective financing charges the industry has charged. These criminalization tactics accuse customers of stealing merchandise, when the reality is often that a low-income customer simply missed a payment on a deceptively expensive contract—conduct that would, in other consumer transactions, be considered a breach of contract and not a crime. The industry’s use of the criminal courts to enforce its contracts effectively criminalizes financial distress.

State Laws Criminalizing Theft of Rental Property Vary Widely

RTO companies have used various legal theories to pursue criminal charges against their customers, but most criminal referrals for RTO transactions are made under “theft of services” and “theft of rental property” laws (referred to collectively as “rental theft laws”). These state statutes often effectively eliminate any requirement to show wrongful intent on the part of the accused, and so can unfairly capture rent-to-own customers who simply fall behind on payments. These laws are used to make simple breach-of-contract behavior a crime.

NCLC’s review finds that only three states—Connecticut, South Carolina, and Virginia—specifically exclude RTO transactions from the rental theft statutes. Although some state laws include intent or notice requirements that would seem to limit their application to RTO consumers, many of those laws undermine such protections through other provisions. In Alabama, for example, failure to return goods within 48 hours of delivery of a written demand is considered to be presumptive evidence of criminal intent.

To Combat Abuse, States Should Reform Laws to Protect Rent-to-Own Consumers

Policymakers should enact protections to stop collection practices that criminalize missed payments by low-income families, including by:

- Prohibiting the application of rental theft laws to consumer installment contracts where there is an option to purchase;
- Requiring specific proof that the defendant intended to steal the property;
- Establishing a simple, accessible civil legal process through which rental companies and consumers can resolve disputes about possession of rental property;
- Regulating coercive collection strategies by imposing legal liability for threatening arrest with no reasonable basis; and
- Amending laws authorizing RTO agreements to eliminate statutory exclusions from consumer protection statutes that cap excessive rates, limit overcharges, and mandate disclosures.

INTRODUCTION

You work a minimum wage job. You are the sole caretaker for three young kids. Money is tight and life is hard. Your old refrigerator finally gives out. You see an advertisement: “Refrigerators for as little as \$22 a week. No credit check. Sign today, delivered tomorrow!” You take a bus to the store on your day off. The salesman shows you a basic model refrigerator, the cheapest in his inventory. He says they have a special deal for buying it with low payments called “rent to own.” He makes it all sound so easy: you pay \$42 today (\$22 for the first week, plus the \$20 delivery charge) and they will deliver it tomorrow. Then just make the \$22 payments every week for 78 weeks. The next day, the refrigerator is delivered and you breathe a sigh of relief. You’re able to keep fresh food and milk for your family again.

At first you are able to make the payments on the used refrigerator, but \$22 a week turns out to make a bigger dent in your budget than you had anticipated—more than \$88 a month, when you’re making only a little more than \$1,000. Whenever you are late making the payments, there is an additional charge. After making the payments for a year, you have paid over \$1,100 towards the refrigerator, not counting the late charges. This is much more than the \$770 the refrigerator would be sold for outright, but you still owe nearly \$600 more before you become the legal owner.

Then your youngest child gets sick, and you miss several shifts at work without pay. You have a choice: pay the refrigerator bill or pay your rent. You pay your rent. Next week, you can pay for the refrigerator or buy food for the kids. You buy the food. A week later, two police officers pound at your door. You are arrested in front of your young children, for reasons that aren’t clearly explained to you. You learn that you have been charged with “theft of service”—a felony under the state criminal code.

This nightmare is all too typical for thousands of vulnerable consumers in rent-to-own (RTO) transactions in the many states in the United States that allow companies to bring criminal charges against consumers who fall behind on payments on RTO transactions. The objective of these efforts is not to discourage intentional theft, but rather to compel low-income consumers to make payments they cannot afford on predatory RTO contracts by using the criminal courts to bludgeon them into doing so. In using the criminal system to threaten and profit from low-income consumers, the RTO industry, enabled by state criminal statutes and prosecutors’ offices, is also contributing to the criminalization of poverty and the resurgence of “debtors’ prisons” that were formally abolished long ago.¹

This National Consumer Law Center report is intended to support advocates and policymakers seeking to understand and change the abuse of the criminal system by the RTO industry, and the devastating consequences for low-income consumers. It documents the need for protections to stop collection practices that criminalize missed payments by low-income families and that terrorize them with the threat of arrest.

The report begins with a brief overview of the RTO industry, including the industry’s use of criminal courts to extract payment from low-income consumers. It then surveys state laws used to pursue criminal charges against RTO customers. It concludes with recommendations for policy reforms for these criminal laws.

Consumer Stories

In a 2010 blog post, a Texas criminal defense attorney, Murray Newman, described his experiences with the RTO industry, observing how contracts can be referred to district attorneys' offices for criminal charges. For several years, this blog post was one of the only online sources of information about how criminal charges could be brought against RTO consumers. Several dozen consumers shared their experiences in comments on this article.* The comments are anonymous, and so cannot be independently verified; but together, they paint a stark picture about how the RTO industry has misused criminal courts to collect payments on abusive contracts from vulnerable consumers. Their stories are featured throughout this report.

*Re: Rent-A-Center & the Civil/Criminal Continuum (August 11, 2011). <https://harriscountycriminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html>

THE RENT-TO-OWN INDUSTRY STRUCTURES ABUSIVE TRANSACTIONS TO AVOID CONSUMER PROTECTIONS

Rent-to-own businesses are typically appliance, electronics, and furniture retailers² that arrange lease agreements rather than the typical installment sales contracts for customers who cannot purchase goods with an upfront payment in full. The RTO industry had around \$8.5 billion in annual revenues as of 2015 (the most recent year for which information is available).³ About 4.8 million households are RTO customers annually, according to the industry trade group Association of Progressive Rental Organizations.⁴ These transactions occur across the country: industry leader Rent-A-Center operates in all 50 states as well as the District of Columbia and Puerto Rico.⁵

The rent-to-own industry receives around \$8.5 billion in revenues per year.

When a consumer purchases an item under a standard installment sales contract, ownership of the item is transferred to the customer when the contract is signed. The seller retains only a security interest in the item, and can repossess it if the consumer fails to make the payments, but the consumer is the rightful owner. RTO contracts are structured differently. RTO contracts only require the consumer to make a payment for one short term—either one or two weeks, or one month. At the end of each of these terms, the consumer has the option of making another payment to renew the term and continue the contract, or to return the property. RTO contracts also include a provision permitting the consumer to achieve ownership of the item either by successfully renewing the contract for all of the required terms (say, for a year or for 18 months), or—in many states—by paying off the full contract price early.

Most consumers who enter into RTO contracts do so as a way of achieving ownership of the item⁶; their goal is to acquire ownership, not to temporarily rent the item. For families without access to savings that could be used to pay the full retail price, RTO contracts are effectively used to finance the purchase. Despite this intent, the majority of RTO contracts do not actually result in the successful transfer of ownership.⁷ It appears that the consumers who do

acquire ownership generally do so only after entering into multiple, successive RTO contracts for the product.⁸

Every RTO transaction involves very high and undisclosed effective interest rates, in which the customer generally pay as much as two to three times what a customer would pay with cash in a traditional retail store for the same appliance. Under a typical RTO contract, the customer will pay between \$1,000 and \$2,400 for an appliance or other product that retails for about \$600 sold new, and \$200 sold used.⁹ For example, a recent class-action lawsuit against Rent-A-Center alleges that the company is violating California consumer protection law by charging, including installments, \$1,380 for an Xbox that retails at \$299.99.¹⁰

The industry is renowned for abusive payment collection practices. A missed or even late payment can often trigger an aggressive response by RTO employees—including harassment, unannounced recovery attempts, and reports to credit agencies, plus a late fee. Such aggressive responses are even more problematic when the company may actually have failed to record an on-time payment: the industry has been repeatedly accused by regulators and consumers of failing to accurately document consumer payments and other poor record-keeping practices.¹¹

The industry has been able to charge astronomic effective interest rates by structuring the consumer contracts to avoid the application of state laws limiting finance charges in consumer credit sales.¹² Because they are arranged as short-term rentals that are renewable after each week, two weeks, or month, with a purchase option, RTO companies have argued that their contracts are governed neither by state retail installment sales acts, which typically cap the finance charges that can be imposed for a credit sale of goods or services, nor by the federal Consumer Leasing Act, which requires uniform disclosures and other protections in the case of leases of consumer goods.¹³ This structure leaves state law as the only source of disclosure requirements or substantive protections from high prices or abusive collection practices.

Nearly all state legislatures around the country have passed special rent-to-own laws that legalize its practices and immunize the industry from state consumer protection laws.

By the early 1990s, the RTO industry succeeded in lobbying state legislatures to pass special RTO laws that legalize its practices and immunize the industry from state consumer protection laws.¹⁴ (The industry has also lobbied Congress for federal legislation that would eliminate the consumer protections that a few states have retained, but so far its effort has not been successful.¹⁵) As a result, in nearly every state there is now an RTO statute that was carefully drafted by the industry to insulate dealers from claims of consumer abuse¹⁶ the purported protections that are included in these statutes do little to protect consumers from the actual harm caused by these transactions. Indeed, the specific exemption of RTO transactions from other state laws is the essential feature of these RTO statutes.¹⁷ For a list of selected state laws authorizing or regulating RTO transactions, see the [Appendix](#).

THE RENT-TO-OWN INDUSTRY TARGETS VULNERABLE CONSUMERS, PARTICULARLY LOW-INCOME PEOPLE OF COLOR

Almost all RTO consumers earn less than \$50,000 a year, and many live below the poverty line.¹⁸ A Federal Trade Commission survey of 532 RTO customers found that 79 percent of those customers who used RTO in the previous year had incomes under \$40,000 and that 41 percent were racial or ethnic minorities.¹⁹ Like other forms of predatory lending, RTO contracts undermine low-income families' careful efforts to conserve scarce financial resources, exacerbating a vicious cycle of poverty that vulnerable people struggle to surmount.

Companies direct their marketing efforts to residents of low-income communities, and especially low-income communities of color. For example, one survey found that 29 of Rent-A-Center's 69 stores in Massachusetts were located in concentrated or high poverty census tracts—those where over 20 percent of the population has incomes below the poverty line. Only one store was located in a census tract where less than 5 percent of the population falls below the poverty line.²⁰ Advertising typically appears in Black and Latinx media, on buses, and in public housing projects. This marketing emphasizes features that are attractive to low-income consumers: quick delivery, weekly payments, no or small down payments, quick repair service, no credit checks, and no harm to one's credit rating if the transaction is canceled. The marketing materials rarely disclose the true costs of buying a product through an RTO contract or the comparison to retail installment sale financing.²¹

4 in 5 rent-to-own customers have incomes under \$40,000; 41% are racial or ethnic minorities.

Predatory RTO practices also harm other vulnerable communities. For example, legal services advocates have long heard anecdotes of abuses from community organizations serving clients who have little or no ability to speak and/or read English who are targeted by RTO companies. These individuals have no idea what the terms of RTO contracts are, or even how much and how often payments are due. Even for people who have more sophisticated understandings of financial transactions, most low-income families are driven to RTO transactions because of their inability to access credit. Almost universally, low-income clients intend to purchase and eventually own the item and do not understand how much the item truly costs, but believe RTO to be their only option.

The disclosures required by most state RTO statutes are insufficient to ensure that consumers receive meaningful information about the full cost of the transactions. For example, there is no disclosure of information similar to an Annual Percentage Rate (APR) that would provide clues to consumers that the actual costs of these transactions is generally two or three times the cost of purchasing with a standard consumer credit sale. Even in states that require disclosure of an alternative "cash price" to purchase the product, that cash price itself is generally significantly inflated to make the cost difference between the total RTO price and the stated cash price appear much smaller than it is. And nothing alerts customers to the potentially draconian consequences of missing a payment. Industry-commissioned surveys have showed that customer satisfaction is not high, and the image of the industry is mostly negative.²²

Rent-A-Center Brings Criminal Charges against Consumer Filing for Bankruptcy

Yaya Z. wrote that her husband had criminal charges filed against him when he had difficulty making payments on a laptop after experiencing an unexpected sudden loss of income when his company went bankrupt. The family also was in the process of filing for bankruptcy when the charges were brought. She wrote: “Now I’m just praying these charges get overturned. [T]hey have ruined his career, [n]ot being [able] to get hired anywhere else!!! All hospitals won’t hire [him] with this on his [record.] . . . [The rental company] wants to ruin [people’s] lives over a laptop.”

Source: *Re: Rent-A-Center & the Civil/Criminal Continuum* (December 29, 2014) [Blog comment]. <https://harriscountycriminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html?showComment=1419875605936#c1045180024688273791>.

Because so many low-income persons struggle to meet the basic costs of living, the consequence of the exorbitant costs imposed by RTO contracts can be catastrophic, both individually and in the aggregate. For the individual family, the additional costs incurred in acquiring basic goods through RTO contracts can cause a sudden and precipitous decline in a family’s economic stability. More broadly, the RTO industry’s targeting of its services to very low-income and working poor neighborhoods plays a very real role in reducing the ability of families to acquire any savings or reinvest in communities—and generally works to keep poor people poor.

THE RENT-TO-OWN INDUSTRY USES THE THREAT OF CRIMINAL CHARGES TO ENFORCE ITS ABUSIVE CONTRACTS

As a result of the industry’s efforts to avoid meaningful consumer protections, RTO transactions are both exorbitantly expensive and

targeted at those who can least afford it. Even worse, the RTO industry uses the criminal system to extract wealth from low-income consumers by using the threat of arrest and criminal sanctions to obtain payments, and by initiating criminal theft charges against borrowers who fall behind on payments. The industry’s use of the criminal courts to enforce its contracts effectively criminalizes financial distress. It threatens devastating criminal consequences for those on tight budgets who have simply lost the ability to keep up with payments due to all too common misfortunes like loss of income, rent increases, an accident or illness, divorce, or the need to care for a family member in distress. Even if ultimately dropped, criminal charges can cause lifelong negative consequences—from the traumas of arrest and pre-trial jail (for the individual arrested and the consequences on the person’s children), to onerous court costs that can often be imposed regardless of the outcome of the case, to interference with maintaining a current job and threats to future employment opportunities.

Just as RTO customers are frequently confused about the nature of the rental agreement they have entered into, they also are shocked to learn that failure to make timely payments or return the property could result in these criminal charges. That’s because falling behind on payments for civil debt obligations—credit card or mortgage payments, for example—may result in financial and legal consequences under civil law, but it is widely understood not to result in criminal consequences.²³ But in many states, if customers miss the payments that renew the RTO contract, and do not promptly return the goods, they can face criminal theft charges—even when they have already paid substantial amounts toward the purchase of the

product. That's because, under the terms of an RTO contract as previously described, ownership is transferred to the consumer *only* after successful payment of all the sums due for the transfer of ownership under of the contract. A single missed payment gives the rental company (which remains the legal owner) the right to possession of the rented merchandise. And under many state laws, that right to possession allows the RTO dealer to pursue criminal theft charges when the consumer fails to return the merchandise after a missed payment.

A man in Florida wrote about his experience renting a television and furniture set with his fiancé. First, the goods were “totally broke”—with springs hanging from the sofa and broken dining room chairs—requiring a substitution. Then, he “went through a pretty big back surgery” that temporarily strained their finances; despite his informing the RTO company about the situation, they called his fiancé every day, came to their house (scaring their children and pets), left threatening voicemails, and called relatives of his fiancé. An agent of the RTO company demanded payment within two days—and said that if they were unable to pay, she would be arrested. Two months later, his fiancé was arrested in her front yard for “failure to return property”—even though they had, he wrote, “never received any written notice that legal action would be taken criminally against us.”²⁴

RTO companies can thus use arrest, or the threat of arrest, to intimidate struggling customers into making payments. These outcomes are described by Ohio State University law professor Creola Johnson:

*Prosecutors and judges are . . . being used to facilitate the profitable business model of extending predatory credit to consumers and then criminalizing them when they can no longer make payments.*²⁵

For example, an extensive investigation by *The Texas Tribune* and *NerdWallet* found that RTO companies have pressed charges against thousands of customers in Texas and in other states. In McLennan, a single medium-sized county in central Texas, at least six rent-to-own companies had pressed charges against more than 400 customers over a three-and-a-half-year period.²⁶

The criminal laws are triggered based on the consumers' failure to pay past-due payments. But dealers can use the criminal process to press for additional payments. Moreover, charges

Disabled Woman in Florida Has Computer Seized after Making Payments for Two Years

Marsha S. in Florida entered into an RTO contract to acquire a computer for her son to use for school work. Martha has a disability and lives on a fixed income. After her rent increased, she fell behind on payments for the computer. She had made payments for over two years, and had just four weeks left until she would have obtained ownership. The RTO company demanded that she pay \$150 within the week (refusing to wait until her next monthly disability check was processed), and threatened to press criminal charges if she failed to return the computer. She shared her experience online: “In all reality, the computer should have been paid for . . . I feel it is a scam where people get the items almost paid off, then [the RTO company] demands the return of the item so they can resell it.”

Source: Marsha S., *Re: Rent-A-Center & the Civil/Criminal Continuum* (August 11, 2011) [Blog comment]. <https://harriscountycriminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html?showComment=1313066795223#c5995888746889088618>.

Virginia Man Arrested after Rent-A-Center Refuses Partial Payments

One woman, Jennifer P. in Virginia, wrote about how her husband had signed for a furniture set for his boss, who didn't want to put the contract in his name because he was in the process of seeking a home mortgage. After the boss stopped sending payments, the rental company sent workers to Jennifer's home looking to repossess the property, which was with her husband's boss. Shortly after, her husband was arrested on his way to work for the charge of "failure to return rented merchandise"—and personally required to pay \$1,743 to the rental company. She wrote that the company refused to accept partial payments, and sought to enforce the order against her husband even after locating the property (still in his boss's possession).

Source: Jennifer P., *Re: Rent-A-Center & the Civil/Criminal Continuum* (August 11, 2011) [Blog comment]. <https://harriscountycriminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html?showComment=1406738216251#c645547312560572673>.

may be brought against individuals who in have already paid the full retail value of the goods, but simply have not paid the excessively high effective financing charges the industry has charged. These criminalization tactics accuse customers of stealing merchandise, when the reality is often that low-income customers simply missed payments on a deceptively expensive contract—conduct that would, in other consumer transactions, simply be considered a breach of contract and not a crime.²⁷

Treating people who miss payments as “criminals” has tremendously negative consequences for the individuals and their families. Criminal convictions may be punished directly by incarceration or other forms of state supervision, as well as by onerous fines, and indirectly through a host of legal collateral consequences, such as burdensome financial costs, loss of the right to vote, and restrictions on immigration rights and eligibility for employment licenses and public benefits.²⁸ Moreover, convictions have resulted in wide-ranging, lifelong, informal collateral consequences for those convicted and their families, ranging from social stigma and psychological trauma, physical violence and medical problems, negative impacts on income and housing, and profound impacts on children and other family members.²⁹

And even if ultimately dismissed, the consequences of the criminal charges alone are often severe. If an arrest warrant is executed, the consumer is likely to be scared and humiliated, and may be at physical risk. For example, in interviews by the ACLU with individuals arrested merely for failing to appear at debtor hearings, people described being arrested at gunpoint, while taking care of their young children alone, or at their jobs, and being handcuffed and strip searched.³⁰ Depending on local practice, the consumer may also be held in jail until bail can be set, or for much longer if the individual cannot afford the bail amount. And in addition to the risk of immediate lost wages or jobs from arrest and detention, arrests can appear on criminal records which can result in long-term losses for employment and housing opportunities.

Even when RTO companies do not file criminal charges, they may still threaten to have customers arrested to push the customers to make payments or surrender merchandise. Sometimes the threat is based on an actual criminal statute that seems to match the consumer's conduct—but RTO companies may also accuse consumers of crimes that are not applicable, relying on the opacity of the criminal statutes that consumers do not understand and courts

do not subject to scrutiny. As Professor Creola Johnson explains, “even when a creditor knows that a consumer has not committed a crime, it nevertheless has the ability to initiate an arrest in order to intimidate the consumer into paying or turning over property.”³¹

RTO companies have used various legal theories to pursue such charges, including the use of laws prohibiting conversion and unauthorized use of property. But most criminal referrals for RTO transactions appear to be made under “theft of services” and “theft of rental property” laws that specifically make the theft of rental services a crime. For example, in the Texas county discussed, RTO disputes made up 98 percent of the theft of service complaints filed with the local police departments from 2014 through the first half of 2017. In addition to applying explicitly to rental transactions, these theft of service laws typically differ from general state larceny (or theft) statutes in a critical way. The language of the statutes often explicitly exclude or reduce the otherwise common requirement imposed on the prosecutor to prove intent to permanently deprive the owner of the property.³²

The original goal of these laws was to prevent someone from renting a car for a day and then attempting to keep it (theft of rental property), or staying a night in a hotel and then leaving without paying (theft of service). But the RTO industry has, over the years, lobbied for passage of amendments that expanded the definition of theft crimes to include fraudulent leasing of property and failing to return RTO merchandise.³³

Indeed, the American Rental Association (the trade association representing renters of equipment and machinery) is organizing an ongoing lobbying campaign to “strengthen” state rental theft laws, according to material available on its website.³⁴ In the past several years alone, new statutes were enacted in Idaho, Illinois, and Iowa.³⁵ These state statutes often effectively eliminate the intent (*mens rea*) requirement, and so can unfairly capture rent-to-own customers who simply fall behind on payments, rather than limiting criminal prosecution to people who intend to defraud the RTO companies. As a result, these laws are used to make simple breach-of-contract behavior a crime, and intimidate customers into making unaffordable payments.

Rent-A-Center Threatens Felony Charges against Single Mom after Boy’s Father Stops Payments on a Television

A single mother in Montgomery County shared her experience. Her former partner gifted a television to her ten-year-old son with special needs at Christmas. After the partner lost his job, he stopped making payments on the television. Even though her former partner was the party to the contract, she was threatened with felony charges by the Rent to Own (RTO) company (because the television was gifted to her son). Indeed, the RTO company told her that her ex had actually called the police, trying to get them to pursue her for the alleged theft rather than him. She described the effect on her family: “My son is asking why is Santa taking my Christmas gifts back, [and is it] because I’m a bad mommy? This is tearing me up inside. . . . and this is not the way I wanted my son to stop believing in Santa . . . and [now] my son is upset and crying and doesn’t understand [what’s happening].”

Source: *Re: Rent-A-Center & the Civil/Criminal Continuum* (March 31, 2012) [Blog comment]. <https://harriscountycriminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html?showComment=1333223199362#c3692141576797333271>.

STATE LAWS CRIMINALIZING THEFT OF RENTAL PROPERTY VARY WIDELY

Forty-seven states in the nation have a law that could be used to criminalize the failure to return rental property at the end of the lease term.

With the exception of three states, every state in the nation has a law that could be used to criminalize the failure to return rental property at the end of the lease term. These laws have different names and cover different types of transactions. Some states criminalize theft of service, others make it crime to fail to return rental property, and a few have separate laws specifically covering both.³⁶ These leasing statutes are in addition to states' general larceny and conversion statutes.³⁷

NCLC attorneys reviewed these laws to assess how they might be applied to RTO transactions and what protections are provided for consumers. The analysis found wide variation among state laws governing theft of rental property and service, referred to collectively in this section as "rental theft" laws. But it is clear that the overwhelming majority of states have enacted rental theft laws that can be used by RTO companies against customers who have simply fallen behind on payments without fraudulent intent. Although some state laws include intent or notice requirements that would seem to limit their application to RTO consumers, many of those laws undermine such protections through other provisions that create a legal presumption that failure to promptly return the property is evidence of criminal intent.

APPLYING RENTAL THEFT LAWS TO RENT TO OWN TRANSACTIONS

Only three states—Connecticut, South Carolina, and Virginia—specifically exclude RTO transactions from the rental theft statutes that our review identified:

- In Connecticut, the "criminal trover" law does not apply to "property rented or leased for personal, family, or household purposes."³⁸
- In South Carolina, the law criminalizing failure to return leased or rented property specifically exempts "lease-purchase agreements or conditional sales type contracts."³⁹
- In Virginia, the law criminalizing fraudulent conversion of leased personal property now explicitly exempts property described in the state's lease-purchase agreement act, which covers rent-to-own transactions.⁴⁰

These three states have established a clear principle that should be widely adopted: unless there is specific proof of intent to steal sufficient to satisfy the criminal theft laws applicable to everyone, criminal theft charges should not be applicable to consumers who simply miss payments under RTO agreements for household goods.

A handful of states, including Missouri, North Carolina, and Washington have enacted theft of rental property statutes that explicitly apply to personal RTO transactions.⁴¹ But most state laws are silent on whether household RTO transactions are covered. These laws are typically written in language that is sufficiently vague but which might support criminal charges against consumers who failed to make timely payments under an RTO contract.⁴²

Indeed, most of the reported examples of RTO consumers charged or threatened with criminal prosecution under rental theft laws are in states in which the laws do not specify whether they apply to rent-to-own or other contracts that involve a purchase option. For example, the Texas law that was used by RTO companies to charge consumers with criminal theft does not specify if it applies to rent-to-own or other transactions that include a purchase option.⁴³

Severity of crime and valuation of rental property

States differ widely in how they categorize the severity of rental theft, but most impose different penalties depending on the value of the property. Most states treat theft of rental property as a felony if the property is valued at or above a certain dollar threshold, generally setting the threshold at either \$1,000 or \$1,500, and a misdemeanor if the property is valued below that threshold. However, there is a significant range in the value of property that will trigger felony treatment, ranging from \$7,500 in Ohio⁴⁴ to as low as \$300 in Florida,⁴⁵ The laws of a small number of states, including Kentucky,⁴⁶ Massachusetts,⁴⁷ New York,⁴⁸ and North Carolina⁴⁹ categorize rental theft as a misdemeanor in all cases.

A handful of state rental theft laws, including New York⁵⁰ and Maryland,⁵¹ do not apply at all when the property is valued below a dollar threshold (though other theft or conversion laws might still apply). Colorado⁵² and New Mexico⁵³ treat rental theft as a petty offense for property valued at or below \$50 and \$250, respectively.

Intent standard

Most states' theft of service or rental property laws include an intent standard that requires, as a required element of proving the criminal offense, that the renter have knowingly or willfully deprived the owner of the property.⁵⁴ In theory, such requirements should distinguish a delay in an RTO installment payment from efforts to intentionally abscond with rental property. But many states in which the laws appear to require proof of criminal intent actually allow that intent to be presumed (which alleviates the requirement to show that the consumer intended to defraud or steal the property). These statutes presume such intent simply upon a showing that, by a certain amount of time either after the rental period ended or after notice demanding the property, the consumer did not return the property. In Alabama, for example, failure to return goods within 48 hours of delivery of a written demand is considered to be

Registered Nurse Charged with Felony after Rent-a-Center Refuses Late Payment or to Have Laptop Returned

A registered nurse wrote that she had been arrested on her birthday on theft charges after missing a month's payment on a rental laptop. She had tried to get the Rent to Own company to accept a late payment or to send a driver to her home to recover the property; both requests were rejected. Then "cops surround[ed] my home, scare[d] my children to death, and [took] their mom away on her birthday." Now, she writes, her "life is ruined": not only is she facing a third-degree felony charge, but also feared losing her nursing license. "I never knew it could be criminal and not civil."

Source: *Re: Rent-A-Center & the Civil/Criminal Continuum* (June 5, 2012) [Blog comment]. <https://harriscounty.criminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html?showComment=1338950840903#c1831550171548280283>.

prima facie (or presumptive) evidence of criminal intent.⁵⁵ California,⁵⁶ Delaware,⁵⁷ Kansas,⁵⁸ Texas,⁵⁹ and North Carolina⁶⁰ all establish similar presumptions where consumers fail to return the property following constructive or actual notice.

Time to return property after notice

State rental theft laws differ with respect to how long a consumer has, after a missed payment, before the failure to return the rented property is considered criminal theft. In most states, the window begins when the consumer receives notice—but at least three states allow the clock to start running at the time the payment is due but left unpaid.⁶¹ In Arizona, for example, consumers can be charged with criminal theft if they do not return the property within 72 hours of non-payment, even if no notice is given.⁶²

Advocates in Virginia Successfully Stopped the Rent to Own Industry's Efforts to Abuse Criminal Laws

In Virginia, consumer advocates turned an industry push for more punitive rental theft penalties into an opportunity to educate legislators about the effects of those laws on low-income consumers.

Their efforts resulted in a repeal of the Virginia code section that had permitted RTO dealers to criminally charge customers who fell behind on their payments, effective in 2014. As a result of advocates' work, honest RTO customers who initially make payments but later suffer a financial setback are no longer at risk of criminal prosecution in Virginia.

Source: Creola Johnson, *Prosecuting Creditors and Protecting Consumers: Cracking Down on Creditors that Extort via Debt Criminalization Practices*, 80 *Law & Contemporary Problems* 211, 256-258 (2017), <http://scholarship.law.duke.edu/lcp/vol80/iss3/9>

In states requiring notice, consumers have widely varying windows in which to return the property. In the three states with the shortest window—Iowa,⁶³ North Carolina,⁶⁴ and South Dakota⁶⁵—failure to return rental property becomes a crime just 48 hours after notice. Eleven states set the window between 5 and 10 days. The window is longer in New York, where consumers have up to 30 days to return the property after notice has been received or reasonably should have been received.⁶⁶ In Massachusetts and Louisiana, there is a range of times between nonpayment or notice and the point at which failure to return the property becomes a crime.⁶⁷

To add to the confusion, some states—including Illinois,⁶⁸ Maryland,⁶⁹ and Tennessee⁷⁰—begin the time requiring return of goods upon the mailing of the written notice, rather than after notice is received or should have been received. This means that in those states, the actual notice to the consumer that criminal charges may be brought for failure to return the property, may be delivered only a few days before the crime is considered to have occurred—if received at all.

Return of property or ineffective notice as an affirmative defense

Most states either require proof that the consumer received the written notice or provide consumers with an affirmative defense if they failed to receive notice. Once charges are filed, a handful of states allow consumers to avoid conviction by returning the rental property in dispute—although this is sometimes limited to cases where consumers failed to receive notice. In Arizona and Mississippi, for example, the law establishes that consumers are not guilty if,

“through no fault of the defendant,” the property cannot be returned to the lessor within the window.⁷¹

Consumer protections

The criminal statutes in several states provide some protections for defendant-consumers. For example, some statutes require that RTO companies provide consumers with clear disclosures at the beginning of the transaction. In Kentucky, the law provides that if the original RTO contract does not include the verbatim provisions of the statute the lessor’s ability to use criminal charges to obtain relief is disallowed.⁷² New York’s law provides an affirmative defense against theft charges if the owner fails to post a conspicuous notice in the store, and to include in the rental contract a warning about potential criminal consequences.⁷³ And in one Arizona appeal, applying the law to a car rental, a judge reversed a conviction based on a finding that—even though the rental company had included a warning about potential criminal liability in the original contract—the disclosure was not sufficiently prominent to meet the statutory requirement.⁷⁴

In contrast, other states have unique provisions that limit consumers’ rights. In Missouri, one of a handful of states with theft of rental property laws that explicitly apply to RTO transactions, the statute requires that a report be made to law enforcement after failure to return.⁷⁵ In several states, including Ohio and Virginia, courts are given specific authority under the statute to order restitution for lost revenue resulting from the alleged deprivation, up to the actual value of the property.⁷⁶

POLICY RECOMMENDATIONS

The payment collection practices described are possible only because state criminal laws can be used by the RTO industry to transform a standard breach of contract into a crime. To protect low-income consumers and stop abuse of the criminal justice system, consumer and civil rights advocates should push for legislative reforms to stop the RTO industry from abusing criminal laws to enforce civil contracts. Advocates should also oppose RTO industry-supported efforts to expand the reach of these laws.

Although the RTO lobby has effectively pursued legislative changes that allow businesses to exploit the criminal court system, advocates can successfully pursue pro-consumer reforms. Immediately after the Texas Tribune published an investigation of the RTO industry’s abuse of criminal theft laws in Texas in October 2017, state legislators from both parties expressed interest in reforming the criminal laws that allow RTO companies to pursue felony theft charges against customers who default on payments for consumer goods.⁷⁷ In April 2018, the Texas House Business and Industry Committee held a hearing, and the chair described the current law’s presumption of criminal intent whenever an RTO customer fails to return goods on demand as “extraordinary” and “against the presumption of innocence that we know and believe in our Constitution.”⁷⁸ Although no bill has yet passed in Texas, it appears likely that the matter will be revisited in the future.⁷⁹

Top-Tier Recommended Reforms

There are a range of state law reforms to protect RTO consumers from abusive collection practices and unwarranted criminal charges. The proposed reforms are in order of preference:

Every state should follow the lead of Connecticut, South Carolina, and Virginia by prohibiting the application of rental theft laws to consumer installment contracts where there is an option to purchase.

1. **Exclude all transactions that involve a purchase option from rental theft laws.** Every state should follow the lead of Connecticut, South Carolina, and Virginia by prohibiting the application of rental theft laws to consumer installment contracts where there is an option to purchase.

- **Explanation:** Criminal laws are not intended to be used to enforce consumer credit sales. They are also unnecessary for rent-to-own transactions, as there are ample civil remedies that allow RTO businesses to enforce their contracts and repossess their property after the consumer has missed a payment. Rental-specific theft laws may be appropriate in the context of a short-term car rental when the car is not returned. But these

laws are inappropriate in the context of someone who enters a contract for a refrigerator with an intention to purchase it over the course of regular payments. The application of rental theft laws to consumer RTO agreements have led to the abuses of the system described above.

2. **If criminal laws are permitted to apply to transactions that involve a purchase option, no presumption of intent to commit the crime should be permitted.** Theft charges against consumers in transactions that include a purchase option should require specific proof that the defendant intended to steal the property. No presumptions of intent should be permitted. The state should have the burden to establish intent by showing that the property has been resold, destroyed, or fraudulently concealed from the property owner. Mens rea (willful intent) should be a specific element of the crime.

- **Explanation:** There are many non-criminal reasons a consumer might not promptly return RTO property after falling behind on payments—including a good faith dispute over a payment, the unaffordable cost of transporting large appliances, and not receiving notice that the item must be returned. It is inappropriate—and contrary to policies underlying our criminal and consumer laws—to presume that the consumer is engaging in criminal theft of the property. This is not a radical reform; this change would simply align states' rental theft laws with laws already in place covering sales with security agreements and attempts to steal collateral. This reform also conforms to the longstanding American principle of the presumption of innocence.

3. **Establish a civil legal process through which rental companies and consumers can resolve disputes about rental property possession.** States should ensure that they provide a civil method to resolve issues about the right to possession of personal property that is low-cost and accessible to consumers without access to an attorney. For example, small claims courts could be provided the explicit authority to resolve disputes when the property is worth less than a certain amount. The process should allow the rental company to petition for a replevin action that allows for repossession at a mutually convenient time and manner. As protection for the rental companies, states may consider

allowing the companies to sue to recover payments for the period during which this process plays out. Consumers should retain the right to refuse entry into their homes prior to the renter's completion of this legal process, and this right should be non-waivable in consumer contracts. When the legal process is completed, the cost and logistics of repossession should be shared between the parties, rather than being the sole responsibility of the consumer.

- **Explanation:** Billing and payment errors are common, and consumers should have a fair opportunity to resolve good faith disputes before being required to physically return potentially large furniture or appliances or allow someone else into their home to repossess it. Moreover, if a low-income consumer finds herself unable to make a required payment, it is quite likely that she also will find it difficult, if not impossible, to promptly deliver that property back to the RTO company. That is due to the combination of her financial distress as well as the practical difficulty of arranging transportation for, say, a furniture set. Because there are legitimate reasons why consumers may not wish to allow agents of the RTO company into their homes absent a court order guiding the process, failure to do so should never be considered a criminal act.

4. **Lessors and retailers should face legal liability for threatening arrest with no reasonable basis.** In addition to the problem of consumers facing actual criminal charges, many RTO retailers have attempted to use the threat of arrest to harass consumers into making payments on abusive contracts. States should directly regulate this coercive collection strategy under their consumer protection laws by classifying the improper threat of arrest as an abusive act.

Second-Tier Reforms

The previous reforms are strongly recommended to ensure that consumers never face theft charges simply for breaching RTO contracts, and that theft charges are only available against RTO consumers on the same basis—and with the same evidentiary burdens—as would apply to installment sales consumers. But in any state unwilling to make these changes to end the RTO industry's abuse of the criminal legal system against consumers, smaller reforms that would limit the abuse may be possible.

5. **To the extent that states insist on making criminal theft charges available for failure to return rental property, it should only be a minor offense.** Any state law that does permit theft charges against consumers renting with the option to purchase should, at minimum, prevent the severity of these charges from being inflated.

- a. **Simple breaches of consumer RTO agreements should never be a felony.** Among the states applying theft charges to RTO transactions, there is wide variation in criminal penalties associated with violations. States with such laws should follow the lead of those that classify rental theft violations only as misdemeanors or petty offenses. States would still have generally applicable theft laws available to them to pursue serious theft crimes as felonies if the evidence supports such charges, but this would prevent RTO companies from readily obtaining souped-up, highly threatening, felony charges for mere RTO breaches. At minimum, states should set a property value threshold for rental theft felony charges at a level that exempts common household goods—for example, at \$7,500, the threshold in Ohio.

- b. **In states that use a dollar threshold to determine the severity of a crime or a penalty, state law should discount the value of the rented item by the payments made by the consumer towards purchase.** Where states set dollar thresholds, the law is often unclear about how the dollar value of the property “stolen” should be assessed. Instead, the charging party should be required to i) show the item’s current, used value at the time it was required to be returned, and ii) reduce the value of the property considered stolen by the portion of the consumer’s payments that the contract requires to be applied toward ownership of the property. Most RTO agreements will include a formula to determine how much each payment is allocated to the purchase of the property in the event of the consumer’s exercise of the early payment option; typically 40 percent of each payment is allocated to the consumer’s ownership interest in the property. The determination of the value of the property that was taken should exclude the portion of the property for which the consumer has already paid.⁸⁰
6. **Any rental theft laws should provide reasonable notice and an opportunity to return the property before any charges may be filed.** As described previously, many rental theft laws inappropriately presume theft if a consumer fails to return RTO property within a certain time following nonpayment or notice. Although theft should never be presumed in these situations, states should at a minimum ensure that return windows do not begin until consumers have actually received clear written notice calling for the property’s return. The mere act of mailing a notice does not ensure that the consumer was actually made aware of the obligation to return the property, or why, or how to do so. States should also recognize that returning disputed property can be a costly and time-consuming process for consumers, and set statutory return periods accordingly—for example, with New York’s 30-day window.
7. **Local prosecutors should reject efforts to misuse the criminal justice system by refusing to prosecute referrals made by the RTO industry except in clear cases of fraudulent intent.** Consistent with basic criminal law presumptions, theft prosecutions should be reserved for the rare cases where consumers actually intend to defraud the RTO dealer. For example, prosecutors’ offices could establish a clear policy of rejecting all theft referrals from RTO companies concerning transactions where the consumer had established a history of making payments under the contract—recognizing this as clear evidence that the consumer lacks fraudulent intent.
8. **States should collect and publish information about rental theft referrals made by RTO companies and actual arrests.** This data will inform consumer and civil rights advocates, help law enforcement decide how to appropriately prioritize these referrals, and provide valuable information to legislators about the scope of the problem in their states.

Finally, states should note that a core driver of abuses in this area derives from the inherently abusive nature of RTO contracts, as the market exists today. States should amend their laws authorizing RTO agreements to eliminate statutory exclusions from consumer protection statutes that cap excessive rates, limit overcharges, and mandate disclosures.

APPENDIX

STATE LAWS AUTHORIZING RTO TRANSACTIONS AND CRIMINALIZING FAILURE TO RENTAL PROPERTY

STATE	LAWS AUTHORIZING/REGULATING RTO TRANSACTIONS	RENTAL THEFT LAWS
Alabama	Ala. Code §§ 8-25-1 to 8-25-6	Ala. Code §§ 13A-8-140 - 13A-8-144
Alaska	Alaska Stat. §§ 45.35.010 to 45.35.099	Alaska Stat. § 34.05.040
Arizona	Ariz. Rev. Stat. §§ 44-6801 to 44-6814	Ariz. Rev. Stat § 13-1806
Arkansas	Ark. Code Ann. §§ 4-92-101 to 4-92-107	Ark. Code § 5-36-115
California	Cal. Civ. Code §§ 1812.620 to 1812.650	Cal. Penal Code § 484
Colorado	Colo. Rev. Stat. §§ 5-10-101 to 5-10-1001	Colo. Rev. Stat. § 18-4-401(1)(e)
Connecticut	Conn. Gen. Stat. §§ 42-240 to 42-253	Conn. Gen. Stat. § 53a-126b.
Delaware	Del. Code tit. 6, §§ 7601 to 7616	Del. Code tit. 11, § 849.
District of Columbia	D.C. Code § 42-3671.01-42-3671.14	—
Florida	Fla. Stat. §§ 559.9231 to 559.9241	Fla. Stat. § 812.155
Georgia	Ga. Code Ann. §§ 10-1-680 to 10-1-689	Code Ga. § § 16-8-5 and 16-8-5.1
Hawaii	Haw. Rev. Stat. §§ 481M-1 to 481M-18	Haw. Rev. Stat. § 708-837.5
Idaho	Idaho Code §§ 28-36-101 to 28-36-111	Idaho Code §§ 18-2403(5) and 18-2404
Illinois	815 Ill. Comp. Stat. §§ 655/0.01 to 655/5	720 Ill. Comp. Stat. 5/16-3(a) and (b)
Indiana	Ind. Code §§ 24-7-1-1 to 24-7-9-7	Ind. Code § 35-43-4-3
Iowa	Iowa Code §§ 537.3601 to 537.3624	Iowa Code § 714.1(2)(a) and (b)
Kansas	Kan. Stat. §§ 50-680 to 560-690	Kan. Stat. § § 21-5801 and 21-5804
Kentucky	Ky. Rev. Stat. §§ 367.976 to 367.985	Ky. Rev. Stat. § 434.225
Louisiana	La. Rev. Stat. §§ 9:3351 to 9:3362	La. Rev. Stat. § 14:220.1
Maine	Me. Rev. Stat. tit. 9-A, §§ 11-101 to 11-122	Me. Rev. Stat. tit. 17-a, § 360
Maryland	Md. Code, Com. Law, §§ 12-1101 to 12-1112	Md. Crim. Law § 8-407
Massachusetts	Mass. Gen. Laws. ch. 93, §§ 90 to 93	Mass. Gen. Laws ch. 266, § 67
Michigan	Mich. Comp. Laws §§ 445.951 to 445.970	Mich. Comp. Laws § 750.362a
Minnesota	—	Minn. Stat. § 609.52(2)(9)
Mississippi	Miss. Code §§ 75-24-151 to 75-24-175	Miss. Code § 97-17-64
Missouri	Mo. Rev. Stat. §§ 407.660 to 407.665	Mo. Stat. §570.057
Montana	Mont. Code §§ 30-19-101 to 30-19-116	Mont. Code § § 45-6-305 and 45-6-309
Nebraska	Neb. Rev. Stat. §§ 69-2101 to 69-2119	Neb. Rev. Stat. § 28-511 and 28-215
Nevada	Nev. Rev. Stat. §§ 597.010 to 597.110	Nev. Rev. Stat. § 205.940
New Hampshire	N.H. Rev. Stat. §§ 358-P:1 to 358-P:12	N.H. Rev. Stat. § § 637:8 and 637:9
New Jersey	—	N.J. Sta. § 2C:20-8

STATE	LAWS AUTHORIZING/REGULATING RTO TRANSACTIONS	RENTAL THEFT LAWS
New Mexico	N.M. Stat. §§ 57-26-1 to 57-26-12	N.M. Stat. § 30-16-40
New York	N.Y. Pers. Prop. Law §§ 500 to 508 (McKinney)	N.Y. Penal Law § 165.00
North Carolina	—	N.C. Gen. Stat. §§ 14-167 - 14-169
North Dakota	N.D. Cent. Code §§ 47-15.1-01 to 47-15.1-08	N.D. Cent. Code § 12.1-23-03
Ohio	Ohio Rev. Code Ann. §§ 1351.01 to 1351.09 (West)	Ohio Rev. Stat. § 2913.72
Oklahoma	Okla. Stat. tit. 59, §§ 1950 to 1957	—
Oregon	Or. Rev. Stat. §§ 646A.120 to 646A.134	Ore. Rev. Stat. §§ 164.125 and 164.140
Pennsylvania	42 Pa. Cons. Stat. §§ 6901 to 6911	Pa. C.S. tit. 18, § 3932
Rhode Island	R.I. Gen. Laws §§ 6-44-1 to 6-44-10	R.I. Gen. Laws § 11-41-16.1
South Carolina	S.C. Code §§ 37-2-701 to 37-2-714	S.C. Code § 16-13-420
South Dakota	S.D. Codified Laws §§ 54-6A-1 to 54-6A-10	S.D. Codified Laws § § 22-1-2, 22-30A-8 and 22-30A-13
Tennessee	Tenn. Code §§ 47-18-601 to 47-18-614	Tenn. Code § 39-14-108
Texas	Tex. Bus. & Com. Code Ann. §§ 92.001 to 92.202 (West)	Tex. Penal Code, tit. 7 § 31.04
Utah	Utah Code §§ 15-8-1 to 15-8-12	Utah Code § 76-6-409 and 76-6-410
Vermont	Vt. Stat. Ann. tit. 9, §§ 41b to 50 (defining RTO transactions not to be retail installment sales, but requiring attorney general to adopt disclosure rules); 06 031 015 Vt. Code R. §§ 115.01 to 115.10 (requiring disclosure of effective APR)	Vt. Stat. tit. 13, § § 2581, 2582, and 2591
Virginia	Va. Code §§ 59.1-207.17 to 59.1-207.27	Va. Code § 18.2-118.
Washington	Wash. Rev. Code §§ 63.19.010 to 63.19.901	Rev. Code Wash. § 9A.56.096
West Virginia	W. Va. Code §§ 46B-1-1 to 46B-1-5	W.V. Code § 61-3-32(b)
Wisconsin	—	Wis. Stat. § 943.20(1)(e)
Wyoming	Wyo. Stat. §§ 40-19-101 to 40-19-120. See also Minn. Stat. §§ 325F.84 to 325F.97 (RTO statute; construed by <i>Miller v. Colortyme, Inc.</i> , 518 N.W.2d 544 (Minn. 1994) not to have superseded state RISA)	Wyo. Stat. § 6-3-408

ENDNOTES

1. See *Confronting Criminal Justice Debt: The Urgent Need For Comprehensive Reform*, Nat'l Consumer L. Ctr. & Crim. Just. Pol'y Program at Harvard L. Sch. (Sept. 2016), <http://www.nclc.org/images/pdf/criminal-justice/confronting-criminal-justice-debt-1.pdf>
2. The APRO reports that, while appliances and furniture comprise 55.3 percent of all RTO transactions, the market share for those items is declining in favor of electronics and computers, which account for 35.6 percent of transactions. www.rtohq.org.
3. www.rtohq.org ("About RTO" at p.4)
4. <https://www.rentacenter.com/about-rent-a-center/s/company-information>.
5. <https://www.rentacenter.com/about-rent-a-center/s/company-information>.
6. See James M. Lacko et al., Fed. Trade Comm'n Bureau of Econ., Survey of Rent-to-Own Customers ES-2 (2000), <https://www.ftc.gov/reports/survey-rent-own-customers> (finding that 67 percent of customers intend to complete all payments to purchase the merchandise at the time they enter into the RTO contract, and 87 percent of the customers intending to purchase actually did purchase.).
7. Michael H. Anderson and Raymond Jackson, "Rent to Own Agreements—Purchases or Rentals?" *Journal of Applied Business Research*, Spring 2003, available at <https://www.rtohq.org/wp-content/uploads/2016/04/RTO-Agreements-Purchase-or-Rent.pdf> (less than 39 percent of RTO agreements result in a transfer of ownership.)
8. This analysis is NCLC's conclusion reconciling the conflict between the RTO industry's data showing a very low rate of completion of individual agreements (see id.), and the FTC data (see Note 5) which indicates that the majority of consumers who enter into RTO contracts succeed in purchasing the items. The apparent conflict between these contrary conclusions can be resolved by recognizing that many consumers must enter into multiple contracts, often for the same or a similar item, before ownership is achieved.
9. See, e.g., Tim Sheehan, "Rent-to-Own Products, Enticing—and Costly," *Fresno Bee* (June 12, 2011), <http://www.fresnobee.com/news/local/community/clovis-news/article19511394.html> (finding a 42-inch plasma television selling for \$538 at retail stores but finding one RTO store with a television of the same make and model costing over \$1,700, more than three times the retail price, under a contract requiring sixty-one weekly payments of \$27.99); Jim Hawkins, Renting the Good Life, 49 *Wm. & Mary L. Rev.* 2041 (2008); *The Rent to Own Ripoff*, WISPIRG (May 13, 2013), <http://www.wispirg.org/reports/wip/rent-own-rip> (finding that although the RTO industry denies its RTO contracts are simply extensions of credit, the average APR to buy merchandise via RTO was 221 percent). But see Michael H. Anderson & Raymond Jackson, "A Reconsideration of Rent-to-Own," 35 *J. Cons. Affairs* 295 (2001) (arguing that the total cost, potential lost equity, and the APR do not provide a good measure of the true value to the consumer of a RTO transaction; instead, the benefits to the consumer should be measured by the value of delivery, set up, maintenance, repair, immediate product availability without a formal credit check and without a security deposit or down payment, payments by cash or check on a weekly or monthly basis, ability to secure insurance against damage or theft, termination of the agreement at any time without further financial liability or damage to credit history, and an option to purchase the merchandise early).
10. See First Amended Class Action Complaint at *12, Blair v. Rent-A-Center, Inc. et al, No. 3:17-cv-02335-WHA (N.D. Cal. May 19, 2017).
11. See Brad Wolverton, "Kicking in Doors and Crushing Credit: How Rent-A-Center Torments Customers," *NerdWallet* (Oct. 26, 2017), available at <https://www.nerdwallet.com/blog/finance/rent-a-center-complaints-lawsuits/> ("Debt collectors who took over Rent-A-Center past due accounts told reporters that nearly a third of the consumers they called had records showing their accounts were paid off. But Rent-A-Center's documents didn't reflect those payments, said the debt agencies, some of which are taking legal action to collect from the company.")

12. For detailed descriptions of rent-to-own contracts, see *Sight & Sound of Ohio, Inc. v. Wright*, 36 B.R. 885 (S.D. Ohio 1983); *In re Williams*, 2007 WL 1875652 (Bankr. W.D. Ky. June 25, 2007); *In re Puckett*, 60 B.R. 223 (Bankr. M.D. Tenn. 1986), *aff'd*, 838 F.2d 470 (6th Cir. 1988); *Miller v. Colortyme, Inc.*, 518 N.W.2d 544 (Minn. 1994).
13. The federal Consumer Leasing Act applies only to lease agreements that require more than four payments. Since RTO contracts are structured as one-week, two-week, or one-month contracts, and the consumer is allowed but not required to renew the lease for another term after the first periodic payment, these transactions are not covered by the Consumer Leasing Act.
14. See James Nehf, “Effective Regulation of Rent-to-Own Contracts,” 42 *Ohio State L.J.* 751, 821 (1991) (discussion of the RTO industry’s legislative efforts between 1983–1991). Of course, equipment rental agreements that are mere leases and not lease-purchase agreements are not subject to usury statutes. *Jones v. R.O. Pomroy Equipment Rental, Inc.*, 438 S.W.3d 125 (Tex. App. 2014).
15. See Margot Freeman Saunders, Testimony before the U.S. House Committee on Financial Services, Subcommittee on Financial Institutions and Consumer Credit, “Examining Rental Purchase Agreements and the Potential Role for Federal Regulation” (July 26, 2011) available at financialservices.house.gov.
16. See App’x.
17. All of the RTO laws provide that transactions that comply with their provisions are not “credit sales.” Many statutes explicitly exempt RTOs from the state’s home solicitation sales laws and from UCC Article 9 security interest definitions. See, e.g., *In re Mitchell*, 108 B.R. 166 (Bankr. S.D. Ohio 1989). See generally National Consumer Law Center, *Repossessions* § 14.3.2.1 (9th ed. 2017), updated at www.nclc.org/library.
18. The Association of Progressive Rental Organizations (APRO), the RTO trade association, publishes information on its website about the products and the customer base. See www.rtohq.org (“About RTO” at p.8). Although its customer base information does not appear to have been updated since 2015, it reports that more than half of RTO customers (72 percent) have annual incomes under \$36,000 and nearly all (97 percent) have incomes under \$50,000. See also Creola Johnson, “Welfare Reform and Asset Accumulation: First We Need a Bed and a Car,” 2000 *Wis. L. Rev.* 1221, 1254 (2000) (citing an industry survey done in 1994 that revealed that 31 percent of RTO customers were on some form of public assistance); Warren B. Rudman, *Market Survey Results and Economic Analysis* 14 (Feb. 1994) (report to the Board of Directors of Thorn EMI PLC concerning the operations of the Rent-A-Center Division of Thorn Americas Inc.; report found that 61 percent of the respondents surveyed in 1994 had personal earnings less than \$20,000 and 29 percent earned less than \$10,000).
19. James M. Lacko, Signe-Mary McKernan & Manoj Hastak, Federal Trade Commission, [Survey of Rent-to-Own Customers](https://www.ftc.gov/reports/survey-rent-own-customers) (Apr. 2000), available at <https://www.ftc.gov/reports/survey-rent-own-customers>. The survey also reports on other customer characteristics, such as, age, sex, race/ethnicity, education, employment, marital status, homeownership, geographical distribution, among other things. See also David Ray Papke, “Perpetuating Poverty: Exploitative Businesses, the Urban Poor, and the Failure of Reform,” 16 *Scholar: St. Mary’s L. Rev. & Soc. Just.* 223 (2014) (rent-to-own outlets “have secured their place in the contemporary economy” in spite of reform efforts and “focus on the urban poor more so than any other group”); Aaron Ross Coleman, “Fighting Rent-to-Own Racism This Christmas,” *N.Y. Times* (Dec. 22, 2018), <https://www.nytimes.com/2018/12/22/opinion/rent-to-own-racism-christmas-shopping.html>.
20. See Brief of Amici Curiae National Consumer Law Center, et al., On Behalf Of Plaintiffs-Appellants, *Silva V. Rent-A-Center, Inc.*, Supreme Judicial Court for the Commonwealth Of Massachusetts (May 26, 2009).
21. Pursuant to the requirements of most state laws, RTO contracts generally include the total dollar amount that will be paid to acquire ownership, excluding late fees that may be incurred.
22. A survey commissioned by APRO revealed that 40 percent of RTO customers were unhappy with their experience and 24 percent felt they had been treated with disrespect by the RTO employees.

- Among non-RTO customers, 55 percent had a negative image of the industry, down from 64 percent in 1997. Ed Winn, “The RTO Customer Survey See-Saw,” *Progressive Rentals* (May–June 2004); see also Brad Wolverton, “Kicking in Doors and Crushing Credit: How Rent-A-Center Torments Customers,” *NerdWallet*, Oct. 26, 2017), available at <https://www.nerdwallet.com/blog/finance/rent-a-center-complaints-lawsuits/>.
23. Although this is generally true, creditors in many states are increasingly using arrest warrants issued in post-judgment proceedings to coerce payment of consumer debts. See generally Am. Civil Liberties Union, *A Pound of Flesh: The Criminalization of Private Debt* (2018), <https://www.aclu.org/report/pound-flesh-criminalization-private-debt>.
 24. Re: Rent-A-Center & the Civil/Criminal Continuum (March 19, 2016) [Blog comment]. <https://harriscountycriminaljustice.blogspot.com/2010/04/rent-center-civilcriminal-continuum.html?showComment=1458371909199#c6337635248782371597>.
 25. Creola Johnson, “Creditors’ Use of Consumer Debt Criminalization Practices and Their Financial Abuse of Women,” 34 *Colum. J. Gender & L.* 9 (2016).
 26. Jay Root & Shannon Najmabadi, “How Renting Furniture In Texas Can Land You In Jail,” *Texas Tribune* (Oct. 27, 2017), <https://www.texastribune.org/2017/10/27/texas-missing-payments-rental-furniture-can-land-you-jail/>
 27. See generally Creola Johnson, “Prosecuting Creditors and Protecting Consumers: Cracking Down on Creditors that Extort via Debt Criminalization Practices,” 80 *Law & Contemporary Problems* 211 (2017), <http://scholarship.law.duke.edu/lcp/vol80/iss3/9>.
 28. See, e.g., Gabriel J. Chin, “Collateral Consequences,” in *Academy for Justice, A Report on Scholarship and Criminal Justice Reform*, vol. 4 at 371 (Erik Luna ed., 2017); available at http://academyforjustice.org/wp-content/uploads/2017/10/17_Criminal_Justice_Reform_Vol_4_Collateral-Consequences.pdf.
 29. See generally, Wayne A. Logan, “Informal Collateral Consequences,” 88 *Wash. L. Rev.* 1103 (2013).
 30. Am. Civil Liberties Union, *A Pound of Flesh: The Criminalization of Private Debt* at 19 (2018), <https://www.aclu.org/report/pound-flesh-criminalization-private-debt>.
 31. Creola Johnson, “Prosecuting Creditors and Protecting Consumers: Cracking Down on Creditors that Extort via Debt Criminalization Practices,” 80 *Law & Contemporary Problems* 211, 223 (2017), <http://scholarship.law.duke.edu/lcp/vol80/iss3/9>.
 32. See *State v. Chapin*, 928 P.2d 711 (Ariz. App. 1996) (finding that the statute criminalizing failure to return rental property is distinguished from larceny by freeing the state of the requirement to prove intent to permanently deprive, while also adding a notice requirement).
 33. Creola Johnson, “Creditors’ Use of Consumer Debt Criminalization Practices and Their Financial Abuse of Women,” 34 *Colum. J. Gender & L.* 10-13 (2016).
 34. See American Rental Association, <http://www.ararental.org/Government-Affairs/Article/ArticleId/229/Theft-of-Services> (“ . . . several state associations have worked hard to secure stronger theft-of-services legislation that makes failure to return equipment and pay rental fees a criminal offense.”).
 35. See Idaho Title 18, Chapter 24, 18-2403; Illinois Public Act 099-0534 (effective January 1, 2017); Iowa Code 714.6A (effective July 1, 2017). See also American Rental Association, Government Affairs, Theft of Services (accessed December 12, 2018), available at <http://www.ararental.org/Government-Affairs/Article/ArticleId/229/Theft-of-Services> (noting that “several state associations have worked hard to secure stronger theft-of-services legislation that makes failure to return equipment and pay rental fees a criminal offense”).
 36. Multistate Assocs., Theft of Rental Services 50-State Survey (2007), https://www.bipac.net/ararental/Theft_of_Rental_Services.pdf
 37. *Id.*
 38. Conn. Gen. Stat. § 53a-126b.
 39. S.C. Code § 16-13-420.

40. Under that law, Va. Code Ann. tit. 59.1, Ch. 17.4, “lease-purchase agreement” is defined to mean any agreement “for the use of personal property by a natural person primarily for personal, family, or household purposes, for an initial period of four months or less that is automatically renewable with each payment after the initial period, but does not obligate or require the consumer to continue leasing or using the property beyond the initial period, and that permits the consumer to become the owner of the property.” Property rented pursuant to such agreements is exempted from the state’s rental theft statute.
41. In Maryland, the law criminalizing fraudulent conversion of leased or rented goods specifically includes rental contracts that include an option to purchase the good—but exempts many typical RTO contracts by limiting the application only to property valued at over \$1,500 and leases of under six months. See Md. Crim. Law § 8-407.
42. For example, Alaska’s criminal code includes sections criminalizing both failure to return rental equipment and theft of service. Although these laws would not initially appear to apply to RTO transactions, the definitions are expansive. Under the law criminalizing failure to return rental equipment, the definition of “equipment” includes “any . . . appliances used for any type of purpose or service.” The theft of service law does not define which services are covered.
43. See Tex. Penal Code, tit. 7, § 31.04. The laws in several states—including Alaska, Idaho, Illinois, Kentucky, Maine, Montana, Nevada, Rhode Island, Utah, and West Virginia—are drafted to apply to agreements to return property at a particular time or place. These laws have been applied to consumers in other industries, including automobile leasing. In West Virginia, for example, the state attorney general sued two car title lenders for various unfair practices including threatening to have consumers arrested for failure to repay their loans. See Creola Johnson, “Creditors’ Use of Consumer Debt Criminalization Practices and Their Financial Abuse of Women,” 34 *Colum. J. Gender & L.* 52 (2016); Second Amended Complaint for Injunction, Consumer Restitution, Civil Penalties, & Other Appropriate Relief at ¶ 41, *West Virginia v. Fast Auto Loans, Inc.*, No. 12-C-231 (W.Va. Cir. Ct. Dec. 24, 2013), 2013 WL 8539987.
44. Ohio Rev. Stat. § 2913.72.
45. Fla. Stat. § 812.155.
46. Ky. Rev. Stat. § 434.225.
47. Mass. Gen. Laws ch. 266, § 67.
48. N.Y. Penal Law § 165.00.
49. N.C. Gen. Stat. §§ 14-167 to 14-169.
50. N.Y. Penal Law § 165.00.
51. Md. Crim. Law § 8-407.
52. Colo. Rev. Stat. § 18-4-401(1)(e).
53. N.M. Stat. § 30-16-40.
54. See, e.g., Alaska (refuse or willful neglects); Arizona (“knowingly fails without good cause”); California (“knowingly and designedly”); Colorado (“knowingly retains”), Delaware (“wrongfully withholds”) Hawaii (“knowingly or intentionally”); Massachusetts (“intent to place it beyond the reach of the owner”); Michigan (“intent to defraud the lessor”); Minnesota (“intent to wrongfully deprive lessor of possession”); Mississippi (intent to deprive the owner of the property); Montana (“intent to permanently deprive”); Nebraska (intent to deprive owner); New Mexico (“intent to defraud the lessor”); North Carolina (“with intent to defeat the rights of the owner”); Nevada (“intent to defraud lessor”) Oregon (intent to deprive owner); Pennsylvania (intentionally); Rhode Island (intent to deprive); Washington (intent to deprive owner).
55. Ala. Code §§ 13A-8-140 to 13A-8-144
56. Cal. Penal Code § 484.
57. Del. Code tit. 11, § 849.
58. Kan. Stat. § § 21-5801 and 21-5804.
59. Tex. Penal Code, tit. 7 § 31.04.

60. N.C. Gen. Stat. §§ 14-167 to 14-169.
61. See Ariz. Rev. Stat § 13-1806; N.C. Gen. Stat. §§ 14-167 - 14-169; Wis. Stat. § 943.20(1)(e).
62. Ariz. Rev. Stat § 13-1806 (“A person commits unlawful failure to return rented property if, without notice to and permission of the lessor of the property, the person knowingly fails without good cause to return the property within seventy-two hours after the time provided for return in the rental agreement. . . . [or] within seventy-two hours from the date and time of the failure to pay any periodic lease payment required by the lease.”).
63. Iowa Code § 714.1(2)(a) and (b).
64. N.C. Gen. Stat. §§ 14-167 - 14-169.
65. S.D. Codified Laws § § 22-1-2, 22-30A-8 and 22-30A-13.
66. N.Y. Penal Law § 165.00.
67. Mass. Gen. Laws ch. 266, § 67; La. Rev. Stat. § 14:220.1.
68. 720 Ill. Comp. Stat. 5/16-3(a) and (b).
69. Md. Crim. Law § 8-407.
70. Tenn. Code § 39-14-108.
71. Ariz. Rev. Stat § 13-1806; Miss. Code § 97-17-64.
72. Ky. Rev. Stat. § 434.225.
73. N.Y. Penal Law § 165.00.
74. State v. Chapin, 928 P.2d 711 (Ariz. App. 1996) (determining that proper notice is an element of the criminal offense). But see State v. Morgan, 808 P.2d 348 (Ariz. App. 1991) (conviction for failure to return rented property does not require showing that defendant actually knew that failure to return was a crime).
75. Mo. Stat. §570.057.
76. Ohio Rev. Stat. § 2913.72; Va. Code § 18.2-118.
77. Shannon Najmabadi and Jay Root, Legislators mull changing Texas law allowing criminal charges against rent-to-own customers, Texas Tribune (Oct. 27, 2017), <https://www.texastribune.org/2017/10/27/lawmakers-mull-changes-theft-service-statute/>
78. Jay Root and Shannon Najmabadi, Lawmakers weigh changing Texas law that lets rent-to-own stores file criminal charges on customers, Texas Tribune (April 4, 2018), <https://www.texastribune.org/2018/04/04/texas-lawmakers-weight-closing-close-carve-out-lets-rent-own-stores-fi/>
79. At an April 2018 hearing, the chair of the Texas House of Representatives’ Committee on Business and Industry said the committee would look at legal changes “aggressively.” Jay Root And Shannon Najmabadi, Lawmakers weigh changing Texas law that lets rent-to-own stores file criminal charges on customers (April 4, 2018), <https://www.texastribune.org/2018/04/04/texas-lawmakers-weight-closing-close-carve-out-lets-rent-own-stores-fi/>
80. Most RTO contracts include a calculation that permits consumers to exercise an early purchase option by paying a lump sum at any point in the rental term. The contract applies some portion of the rental payments (typically 40 percent) to the potential of ownership; such that the amount required to be paid to exercise the early purchase option is the difference between these amounts and the cash price.

For example, assume under the RTO contract, the total of payments is \$2,000, the cash price of the property is \$800, and the consumer has already paid \$1,200 in rental payments.

Ownership will transfer either upon the consumer’s payment of the full price of \$2,000, or earlier if the consumer exercises the early purchase option by paying the remainder of the cash price of \$800. If 40 percent of the rental payments are applied to the cash price ($40\% \times \$1200 = \480), and the consumer must pay the difference between the cash price of \$800 and \$480, the consumer could exercise this early purchase option by paying \$320 ($\$800 - \$480 = \320).

Applying this calculation to the determination of the value of the property taken would require this type of calculation:

Original cash price of property	\$800
Consumer has paid	\$1,200
Total of payments due under the contract to purchase at full term	\$2,000
Percentage of rental payments applied to purchase	40%
Consumer's "equity ownership" in the property (40% of \$1,200)	\$480
Value of property "taken": amount due to exercise early payment option (cash price minus equity, or \$800 - \$480)	\$320

Boston Headquarters:
7 Winthrop Square
Boston, MA 02110-1245
Phone: 617/542-8010
Fax: 617/542-8028
www.nclc.org

NCLC[®]

**NATIONAL
CONSUMER
LAW
CENTER**[®]

Advancing Fairness
in the Marketplace for All

Washington Office:
1001 Connecticut Ave, NW
Suite 510
Washington, DC, 20036
Phone: 202/452-6252
Fax: 202/463-9462