

IF THERE'S A PROBLEM AFTER YOU HAVE THE MERCHANDISE

- If you're going to have trouble making a payment, talk with the store manager. See if they will adjust your payments.
- If you think the store has violated the Agreement or mistreated you, talk with the manager. If that doesn't solve the problem, call Consumer Protection at your State Attorney General's office. Find them at www.consumeraction.gov/state.shtml



Brattleboro Area Affordable Housing
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with thanks to
National Consumer Law Center and
U.S. Public Interest Research Group

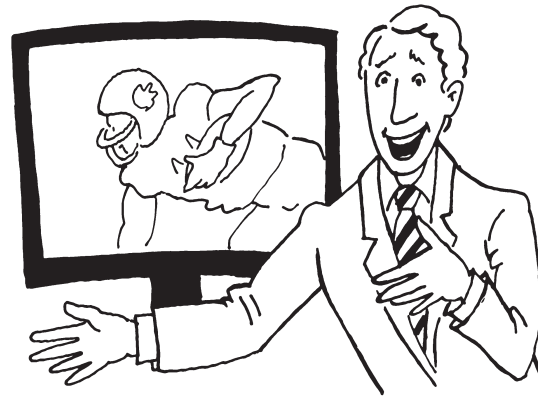
Jessie Haas and Heidi Mario

Merchants Bank, Howard Printing
and our wonderful regular donors.

We'll be grateful for any comments.

Would you pay \$2,080 for a \$600 TV?

BUYING FROM A RENT-TO-OWN STORE



IT CAN SOUND GREAT!

- **NO CREDIT CHECK!**
- **NO CASH DOWN!**
- **AGREE TO A SMALL REGULAR PAYMENT AND GET YOUR TV TODAY!**

BUT BE CAREFUL!

RENT-TO-OWN STORES

...offer furniture, TV's, computers and appliances. The biggest chains are Rent-A-Center and Aaron's.

You may also find rent-to-own at kiosks in regular stores.

HOW IT WORKS

- You find a couch you like at the store.
- You sign a Rental-Purchase Agreement, promising to make weekly or monthly payments.
- The store delivers "your" couch.



THE CATCH

- The total cost is likely to be 2 to 4 times the usual price.
- Until you finish the payments, the store owns the couch.
- If you miss a payment, they can take it back.
- You'll then lose the money you've paid. And lose the couch.



A BETTER WAY

- Check prices at other stores or on the internet.
- For furniture, look in second-hand shops.
- Pay gradually through a layaway plan.
- **SAVE** until you're able to pay cash at a regular store.

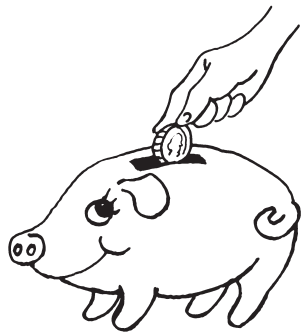
SAVING IS FASTER AND WAY CHEAPER!

actual example

55" Toshiba HD LED TV *
Model 55SL417U (new)
Recent cost at Sears:
\$1,259.99

Cost on the same day at a
Rent-A-Center store:
\$47.99 a week for 91 weeks =
\$4,367.09

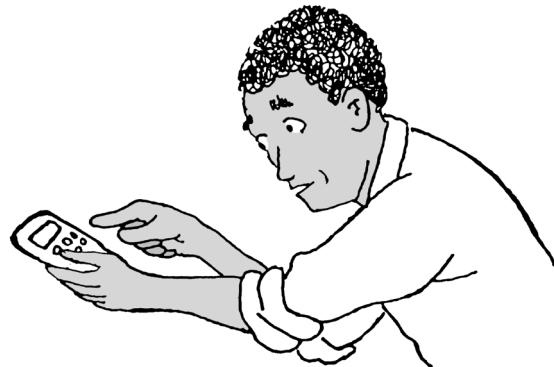
- If you **saved** that \$47.99 a week, you'd own the TV in **27 weeks**, not **91**.
- And you'd pay **\$3,107 LESS!**



* It's hard to find a small TV in rent-to-own stores. (It's also hard to find one that hasn't been "previously rented.")

IF YOU GO TO A RENT-TO-OWN STORE, CHECK THESE THINGS OUT

- ✓ **Is the item new or used?**
If used, the "cash price" and each payment should be less.
- ✓ **If the used-goods discount is in the form of fewer payments, think twice before agreeing!** You could miss a payment and lose the item before you get to the canceled payments.
- ✓ **Is the cash price fair?**
Compare it to the price at other stores. (The rent-to-own cash price is usually higher.)
- ✓ **Is the total cost fair?**
Do the math:
amount of each payment x number of payments + all fees + tax = total cost



READ THE AGREEMENT!

Make sure it:

- ✓ Clearly describes the item: whether it's new or used, and its model and serial numbers if similar goods usually have those.
- ✓ States the cash price, total cost, and effective annual percentage (interest) rate.
- ✓ Lists all possible fees and charges. (Sometimes there's a general surcharge, of 10% for example. If there is, what does it cover?)
- ✓ Tells when payments are due and what notice you'll get if a late fee is to be charged.
- ✓ Makes clear the store's responsibility for service or repairs.
- ✓ Says when they have the right to repossess and how much notice you'd get.
- ✓ Tells you whether and how you could get the item back after repossession.



BEFORE YOU SIGN, STOP!!

- **Take the Agreement home**, completed but unsigned.
- **Study it** carefully.
- **Talk it over** with family or friends.
- **Compare the cost** to other options: other stores, layaway, or saving up the money.
- **Look at your budget.** Can you really make every payment for as long as it takes?
- **Don't sign unless you're satisfied!**
- If you sign, **make sure you get a copy of the Agreement** before you leave the store.