

- Make clear the store's responsibility for service or repairs.
- Say when they have the right to repossess and how much notice you'd get.
- Tell you whether and how you could get the item back after repossession.

Before you sign, STOP!



- Take the agreement home, filled out but not signed. Study it carefully and 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 do sign the Agreement, make sure you get a copy before you leave the store.

If there's a problem after you have the item at home

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 store manager. If that doesn't solve the problem, file a complaint with the Department of Consumer Protection at www.ct.gov/dcp. You may also call the office at 1-800-842-2649.

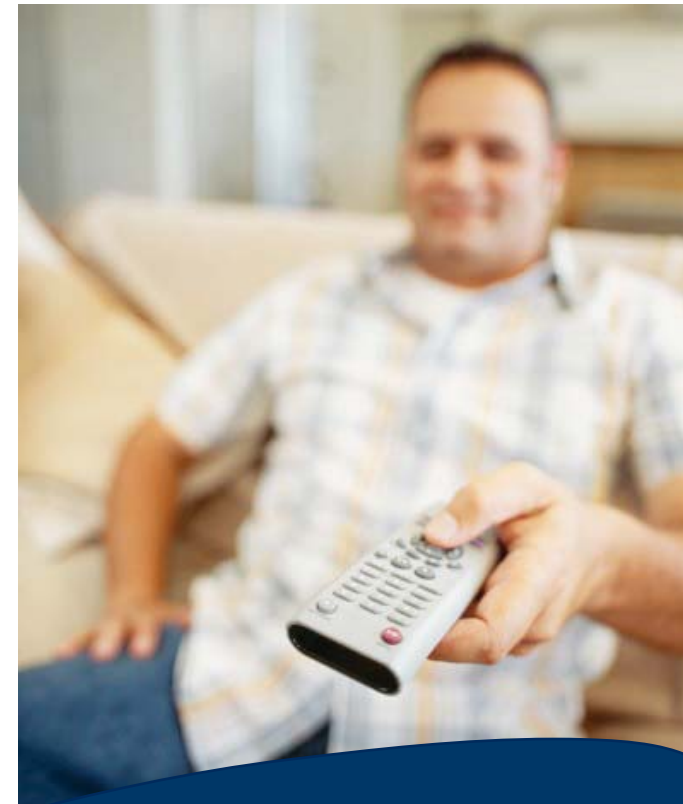
Information courtesy of:
 Brattleboro Area Affordable Housing
 PO Box 1284, Brattleboro VT 05302
 With thanks to the National
 Consumer Law Center and the
 US Public Interest Research Group

State of Connecticut
 Department of Consumer Protection
 165 Capitol Avenue
 Hartford, CT 06106

Toll-free: 1-800-842-2649



What to Know About Rent-to-Own



Buying from a Rent-to-Own store can sound great. Often these stores promise:

- **No credit check**
- **No cash down**
- **That you can pay a small regular payment and get your merchandise today.**

But be careful!

Rent-to-own stores offer furniture, TVs, computers and appliances. The biggest chains are Rent-A-Center and Aaron's, but there are others. You may also find rent-to-own services at kiosks in a regular store.

How it works

- You find a couch that 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

- Until you finish all the payments, the store owns the couch.
- The total cost is likely to be two to four times the regular price.
- If you miss a payment, the store can take back the couch.
- You'll then lose the money you've paid. You'll also lose the couch.

Better ways to get the item

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

Saving Up is Faster and Cheaper!

For example:

- A 55-inch Toshiba HD LED TV*
- Model 55SL417U (new)
- Recent cost at a local department store:
\$1,259.99

The same TV on the same day at a rent-to-own store: \$47.99 a week for 91 weeks =
\$4,367.09

If you saved that same \$47.99 a week, you'd be able to buy that TV in 27 weeks, not 91. And you would pay \$3,107 less!

*(It's hard to find a small television in rent-to-own stores. It's also hard to find one that isn't already used or "previously rented.")

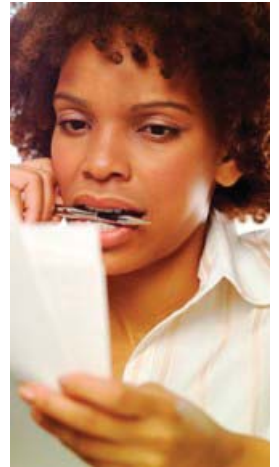
If you shop Rent-to-Own, be sure to check:

- Is the item new or used? If used, the "cash price" and each payment should be less.
- If a "used-goods discount" is in the form of fewer payments at the end of the agreement, think twice. If you miss a payment, you could lose the item before you get to the "cancelled" payments.

- Is the cash price fair? Compare it to the price at other stores. (The cash price at a rent-to-own store is usually higher.)
- Is the total cost fair? Do the math: Multiply the amount of each payment by the number of payments, plus all fees and tax. That is the total cost.

Read the agreement!

Make sure it clearly describes the item, whether it is new or used, its model number and its serial number if it is an item that usually has those numbers (such as a TV or a computer).



The agreement must tell you the cash price, the total cost, and the effective annual percentage (interest) rate. It

should also list all possible fees and charges. (Sometimes there's a general surcharge of 10 percent, for example.) If there is a charge, what does it cover?

The agreement should also:

- Tell you when payments are due and what notice you'll get if a late fee is to be charged.

more, over