

If you have problems:

Contact: Office of Commissioner of Banking
101 E. Wilson Street
P. O. Box 7876
Madison, WI 53707-7876

Phone: 608-266-1621
800-452-DEBT (3328)

Before you use rent-to-own ask yourself:

- Do I really need this?
- Do I have the money to pay for the item?
- Is it really worth it?
- Have I visited other stores and checked on installment or lay-away plans?
- Can I buy this item used or borrow it from friends instead of using rent-to-own?

Prepared by Carolyn Krueger and Laurie Boyce, Family Resource Management Specialists, University of Wisconsin-Extension. This information is published by the University of Wisconsin Cooperative Extension Service in cooperation with the USDA and Wisconsin counties. UW-Extension provides equal opportunities in employment and programming, including Title IX and ADA requirements. 8/96



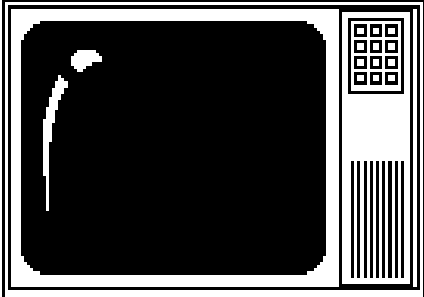
Family Living Programs

CR03: Rent to Own

\$

Rent-To-Own

“Just \$12.49 per week and this TV can be yours!”



But did you know that you may pay **three to five** times the original price for that TV?

\$

Afford Healthy Food Choices with DOLLAR SENSE

What is rent-to-own?

You can rent-to-own TVs, stereos, refrigerators, washing machines, dryers, furniture. You pay by the week (or month) for a certain number of weeks or months.

You can buy something with small payments but it takes a long time to pay it off. You pay a lot of interest.

If you are thinking about using rent-to-own, ask these questions:

- What is the final cost? Add all payments and fees for insurance and delivery.
- When do you own it? Will you lose the item and money you paid if you miss a payment?
- What if you pay late?
- Do you pay for repairs? If it stops working, you may have to keep paying while it's being fixed.
- Is it new or used? Do you get the warranty and owner's manual?

The contract must tell you:

- cost of item.
- cost to rent it.
- number of payments and amount of each.
- total cost.
- maximum amount of money you could pay to rent or own.
- date you must make your payment each week or month.

How much will this TV cost to rent-to-own or buy with credit?



COMPARE:

	Rent-to-own	OR	Use Credit (18% APR)
	\$12.49/week		\$27.50/month
	x 72 weeks		x 12 months
Actual Cost:	\$899.28		\$330.00
	over 18 months		over 1 year
	The TV will be yours in 18 months but you will have paid almost \$600 in interest (the price of two TVs).		The TV will be yours in one year and you will have paid \$30 in interest.

Remember, Rent-to-Own items don't belong to you until they are paid in full.