Testimony before the

COMMITTEE ON FINANCIAL SERVICES

Subcommittee on Financial Institutions & Consumer Credit

regarding

"Examining Rental Purchase Agreements and the Potential Role for Federal Regulation"

July 26, 2011

Testimony written and presented by:

Margot Freeman Saunders
Of Counsel
National Consumer Law Center
1001 Connecticut Avenue, NW
Washington, D.C. 20036
(202) 452-6252

on behalf of its low income clients
and

Consumer Federation of America
Consumers Union
U.S. Public Interest Research Group

Testimony before the
Subcommittee on Financial Institutions & Consumer Credit

"Examining Rental Purchase Agreements and the Potential Role for Federal Regulation"
July 26, 2011

Madam Chairman and Members of the Committee, the **National Consumer Law Center**[1] thanks you for inviting us to testify today regarding rent to own contracts and whether H.R. 1588 is the appropriate vehicle for federal regulation. We offer our testimony here today on behalf of our low income clients, as well as the **Consumer Federation of America,**[2] **Consumers Union,**[3] and the **U.S. Public Interest Research Group.**[4]

On behalf of the millions of low and moderate income consumers that these groups collectively represent, we urge you to unequivocally reject H.R. 1588. **The bill will not help consumers, it will only hurt them**. Consumers need protections from the exorbitant prices charged to purchase items through rent to own dealers; they need protections from high fees; and they need assurances that they can reinstate their contracts with reasonable fees and under reasonable conditions after they have spent considerable sums trying to purchase the items. While we believe that even the most precise disclosures would not adequately protect consumers in these transactions, the disclosures required by H.R. 1588 provide misleading and deceptive information.

The topic of this hearing is whether there is a potential role for federal regulation of rent to own transactions. We think there is. There is much that could be done to protect consumers who enter into rent to own transactions from the worst practices of this industry.

However, H.R, 1588 does not add any meaningful protections for consumers in rent-to-own transactions. Every state except four– Minnesota, Wisconsin, New Jersey and Vermont – already has

---

[1]The **National Consumer Law Center** is a nonprofit organization specializing in consumer issues on behalf of low-income people. We work with thousands of legal services, government and private attorneys, as well as community groups and organizations, from all states who represent low-income and elderly individuals on consumer issues. As a result of our daily contact with these advocates, we have seen examples of predatory practices against low-income people in almost every state in the union. It is from this vantage point – many years of dealing with the abusive transactions thrust upon the less sophisticated and less powerful in our communities – that we supply these comments. We publish and annually supplement eighteen practice treatises which describe the law currently applicable to all types of consumer transactions.

[2]The **Consumer Federation of America** is a nonprofit association of over 280 pro-consumer groups, with a combined membership of 50 million people. CFA was founded in 1968 to advance consumers' interests through advocacy and education.

[3]**Consumers Union** is the publisher of Consumer Reports.

[4]The **U.S. Public Interest Research Group** is the national lobbying office for state PIRGs, which are non-profit, non-partisan consumer advocacy groups with half a million citizen members around the country.

many of the minimal substantive provisions and disclosures required by H.R.1588. In these four states consumers are provided *many more* valuable protections from the overreaching practices and exorbitant prices of RTO dealers than H.R. 1588 provides. **Indeed the real purpose of H.R. 1588 is captured in § 1018 (b) – which preempts the more protective laws of these four states**.

Enlisted members of the military of are typical users of rent to own transactions. In fact, rent to own dealers are rampant in the areas directly surrounding most military bases in the United States.[5]

Background on Rent To Own Transactions

Rent to own ("RTO") businesses are essentially appliance, electronics, and furniture retailers which arrange lease agreements rather than typical installment sales contracts for those customers who cannot purchase goods with cash or who are unsophisticated about money management. These lease agreements contain several special features. First, the lease agreements contain purchase options which typically enable the lessees to obtain title to the goods in question by making a nominal payment at the end of a stated period, such as eighteen months. Second, the leases are short term, so that "rental payments" are due weekly or monthly. Third, the leases are "at will." In other words, the leases theoretically need not be renewed at the end of each weekly or monthly term. The RTO industry aims its marketing efforts at low income consumers by advertising in minority media, on buses, and in public housing projects, and by suggesting it has many features 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.[6]

Most RTO customers enter into these transactions with the expectation of buying an appliance and are seldom interested in the rental aspect of the contract.[7] This attitude is encouraged by RTO dealers who emphasize the purchase option in their marketing even while they are minimizing its importance in the written contract. Of course, if and when a transaction is challenged

---

[5] For example, there are ten Rent A Center stores within seven miles of Fort Hamilton in Brooklyn, NY; there are seven within eight miles of Fort Bragg in North Carolina; and there is even one in the remote area of Del Rio Texas serving Laughlin Air Force Base.

[6] The Federal Trade Commission conducted a survey of 532 RTC customers and found that 79% of those customers who used RTO in the previous year had incomes under $40,000. James M. Lacko, Signe-Mary McKernan & Manoj Hastak, Federal Trade Commission, Survey of Rent-to-Own Customers (Apr. 2000), *available at* www.ftc.gov/reports/index.htm.

[7] A telephone survey of RTO customers found that 90% of customers intended to own the product they were renting, but only 40% managed to keep the product. Ed Winn, *The RTO Customer Survey See-Saw*, Progressive Rentals, May–June 2004. The RTO industry claims on its website that less than one-quarter of its customers rent long enough to own the "rented" goods. *See* www.rtohq.org/apro-rto-industry-overview.html. The FTC' survey of RTO customers found that 70% of RTO merchandise was purchased by the customer. Furthermore, 90% of the merchandise on which customers had made substantial payments (of six months or more) was purchased. James M. Lacko, Signe-Mary McKernan & Manoj Hastak, Federal Trade Commission, Survey of Rent-to-Own Customers (Apr. 2000), *available at* www.ftc.gov/reports/index.htm.

in court, a RTO dealer will point to the rental provisions of the contract and claim that statutes which control traditional retail installment sales are irrelevant to RTO agreements.

The chief problem with RTO contracts is not only that these supposed leases are used to mask installment sales, but also that these sales are made at astronomic and undisclosed effective interest rates. Under most RTO contracts, the customer will pay between $1,000 and $2,400 for a television, stereo, or other major appliance worth as little as $200 retail, if used, and seldom more than $600 retail, if new. This means that a low-income RTO customer may pay 1 1/2 to 12 times what a cash customer would pay in a traditional retail store for the same appliance.

The finance charge and interest rate or annual percentage rate (APR) of an RTO contract depend on the retail cash value of the appliance (especially whether new or used) and the timing, amount, and number of payments. The following chart illustrates the APR computations:

		52 Weeks		78 Weeks		104 Weeks	
Amount Financed	**Weekly Payment**	**Finance Charge**	**APR**	**Finance Charge**	**APR**	**Finance Charge**	**APR**
$200	$16	$632	408%	$1,048	415%	$1,464	416%
$500	$16	$332	111%	$ 748	148%	$1,164	159%
$700	$18	$236	60%	$ 704	106%	$1,172	122%

RTO dealers usually charge the same periodic payment whether the item is used or new, but adjust the total *number* of payments required to be paid to achieve ownership of the used item. This means that the rental consumers are paying is the same for used goods as for new. A consumer who does not succeed in making all the payments to acquire ownership of the item ends up paying a new-goods rental amount for lower-value used goodscosting the unsuccessful consumers far more for the rental of lower value goods.

Industry-Friendly RTO Legislation

For the past thirty years, the RTO industry aggressively (and successfully in most cases) lobbied state legislatures and the Congress for a statutory exemption from consumer protection statutes, from annual percentage rate disclosure requirements, and from usury rate limitations. In nearly every state there are now RTO statutes which were carefully drafted by the industry to insulate dealers from claims of consumer abuse.[8] The RTO industry has continued to seek a "federal

[8] Ala. Code §§ 8-25-1 to 8-25-6; Alaska Stat. §§ 45.35.010 to 45.35.099; Ariz. Rev. Stat. Ann. §§ 44-6801 to 44-6814; Ark. Code Ann. §§ 4-92-101 to 4-92-107; Cal. Civ. Code §§ 1812.620 to 1812.649 (West); Colo. Rev. Stat. §§ 5-10-101 to 5-10-1001; Conn. Gen. Stat. §§ 42-240 to 42-253; 49 D.C. Code Mun. Regs. 1000 (Weil); Del. Code Ann. tit. 6, §§ 7601 to 7616; Fla. Stat. §§ 559.9231 to 559.9241; Ga. Code Ann. §§ 10-1-680 to 10-1-689; Haw. Rev. Stat. §§ 481M-1 to 481M-18; Idaho Code Ann. §§ 28-36-101 to 28-36-111; 815 Ill. Comp. Stat. §§ 655/0.01 to 655/5; Ind. Code §§ 24-7-1-1 to 24-7-9-7; Iowa Code §§ 537.3601 to 537.3624; Kan. Stat. Ann. §§ 50-680 to 560-690; Ky. Rev. Stat. Ann. §§ 367.976 to 367.990 (West); La. Rev. Stat. Ann. §§ 9:3351 to 9:3362; Me. Rev. Stat. Ann. tit. 9-A, §§ 11-101 to 11-122; Md. Code Ann., Com. Law, §§ 12-1101 to 12-1112; Mass. Gen. Laws ch. 93 §§ 90 to 94; Mich. Comp. Laws §§ 445.951 to 445.970; Minn. Stat. §§ 325F.84 to 325F.97; Miss. Code Ann. §§ 75-24-151 to 75-24-175; Mo. Rev. Stat. §§ 407.660 to 407.665;

fix" as well.[9] All of these state laws provide that RTO transactions are not "credit sales" and not subject to other state and federal consumer protection laws.

Although there are variations, nearly all state RTO statutes require disclosures in the contract including: the number and timing of the payments necessary to acquire ownership of the property; a statement declaring that the consumer will not own the property until the total payments necessary to acquire ownership have been made; the cash price of the property (most commonly defined as whatever price the dealer sets); and a statement as to whether the property is new or used.

Real consumer protections in four states would be preempted by H.R. 1588

The exception to the above analysis applies in four states: Minnesota,[10] Wisconsin,[11] New Jersey,[12] and Vermont.[13] Most recently, the Supreme Court of New Jersey affirmed that rent-to-own

---

Mont. Code Ann. §§ 30-19-101 to 30-19-116; Neb. Rev. Stat. §§ 69-2101 to 69-2119; Nev. Rev. Stat. §§ 597.010 to 597.110; N.H. Rev. Stat. Ann. §§ 358-P:1 to 358-P:12; N.M. Stat. §§ 57-26-1 to 57-26-12; N.Y. Pers. Prop. Law §§ 500 to 507 (McKinney); N.D. Cent. Code §§ 47-15.1-01 to 47-15.1-08; Ohio Rev. Code Ann. §§ 1351.01 to 1351.09 (West); Okla. Stat. tit. 59, §§ 1950 to 1957; Or. Rev. Stat. §§ 646A.120 to 646A.134; 42 Pa. Cons. Stat. §§ 6901 to 6911; P.R. Laws Ann. tit. 10, §§ 2451 to 2466; R.I. Gen. Laws §§ 6-44-1 to 6-44-10; S.C. Code Ann. §§ 37-2-701 to 37-2-714; S.D. Codified Laws §§ 54-6A-1 to 54-6A-10; Tenn. Code Ann. §§ 47-18-601 to 47-18-614; Tex. Bus. & Com. Code Ann. §§ 35.71 to 35.74 (Vernon); Utah Code Ann. §§ 15-8-1 to 15-8-12; Vt. Stat. Ann. tit. 9, § 41b; 06 031 015 Vt. Code R. §§ 115.01 to 115.10; Va. Code Ann. §§ 59.1-207.17 to 59.1-207.27; Wash. Rev. Code §§ 63.19.010 to 63.19.901; W.Va. Code §§ 46B-1-1 to 46B-1-5; Wyo. Stat. Ann. §§ 40-19-101 to 40-19-120.

[9] *See, e.g.*, 111th Cong. S. 738 (2009); H.R. 996, 108th Cong. (2003); S. 2947, 108th Cong. (2003); H.R. 2803, 103d Cong. 1st Sess. (1993); H.R. 2820, 104th Cong., 1st Sess. (1995); H.R. 2019, 105th Cong. 1st Sess. (1997). Many of these bills are virtually identical.

[10] The Minnesota cases include *Starks v. Rent-A-Center*, Clearinghouse No. 45,215 (Minn. Dist. Ct. 1990), which involved a statute that included terminable leases within the definition of credit sale in certain circumstances. This statute was superseded by Minn. Stat. §§ 325F.82 to 325F.95, which in turn was interpreted in *Miller v. Colortyme, Inc.*, 518 N.W.2d 544 (Minn. 1994) and *Fogie v. Rent-A-Center, Inc.*, 1995 WL 649575 (D.Minn. 1995) (RTO contracts are credit sales for all purposes; thus are subject to general contract usury ceiling), *aff'd sub nom. Fogie v. Thorn Americas, Inc.*, 95 F.3d 645 (8th Cir. 1996), *subsequent appeal on different grounds*, 190 F.3d 889 (8th Cir.1999) (RICO claim dismissed).

[11] The Wisconsin cases include *Rent-A-Center, Inc. v. Hall*, 510 N.W.2d 789 (Wis. Ct. App. 1993). In addition, the Wisconsin Attorney General reached settlements with several RTO companies over their failure to make finance charge and rate disclosures. Press Release, Wisconsin Attorney General's Office, State Reaches Major Settlement with Rent-to-Own Company (Nov. 12, 2002) (noting this was the Wisconsin Attorney General's fifth settlement with an RTO company over violations of the Wisconsin Consumer Act).

[12] The New Jersey cases successfully challenging RTO practices include: Perez v. Rent-A-Center, Inc., 892 A.2d 1255 (N.J. 2006); Robinson v. Thorn Americas, Inc., Clearinghouse No. 52,047, #L-003697-94 (N.J. Super. Ct. Dec. 19, 1997) (after plaintiffs won summary judgment on the merits, the damage portion of the case (and two other related suits) was settled for almost $60 million); Green v. Continental Rentals, 678 A.2d 759 (N.J. Super. Ct. Law. Div. 1994).

[13] A Vermont court upheld a state attorney general rule requiring RTO companies to disclose the effective annual percentage rate of their RTO transactions. Thorn Americas, Inc. v. Vermont Attorney General, Clearinghouse No. 51,957 (Vt. Super. Ct. Mar. 7, 1997).

contracts as structured were closer to sales and violated that state's Retail Installment Sales Act.[14] In Wisconsin, Minnesota and New Jersey the courts have said that the state laws on credit sales apply – with the applicable interest limits those laws require. In New Jersey that limit would be 30% per year, rather than the 60% to 400% that is customarily charged in RTO transactions.

The preemption of the consumer protection laws in these four states is the real reason for H.R. 1588. The consumer protections that appear to be in the bill are generally already in state law, so are illusory at best. The required disclosures are misleading or deceptive; to the extent that there are any new substantive consumer protections not typical in state RTO, the protections have no meaningful enforcement.

Consumer protections in H.R. 1588 are illusory or worse

Despite the optics of this bill, consumers will not be provided protections of any real import. In most states, state law requirements require the same – and quite often substantially better – protections from the overreaching practices and exorbitant prices of RTO dealers than H.R.1588 provides. The real purpose of HR 1588 is captured in § 1018 (b), which preempts the more protective laws of Minnesota, Wisconsin, New Jersey and Vermont. However, any argument that consumers in other states will be better off with H.R. 1588 is belied by a close evaluation of the sham consumer protections.

1. <u>The disclosures required by the bill are seriously misleading to consumers</u>.

§ 1010 requires information about the "rental payments" and the "rental-purchase" cost to be displayed on tags attached to the items in the store. Yet, the definition of rental payments (in § 1001(12)) excludes all fees, taxes and charges for optional and mandatory services. In retail purchases only taxes, and possibly a service contract, are added to the retail cost. In contrast, in RTO transactions, the addition of delivery fees, set-up fees, loss-waiver fees, and other charges often causes the real costs of rental payments to be inflated by as 25% or more.

Consider the significant differences between the disclosures required by § 1010 – the point of rental disclosures and the actual cost of the purchase through the rent to own contract:

[14] Perez v. Rent-A-Center, Inc., 892 A.2d 1255 (N.J. 2006).

Point of Rental Disclosures		Contract Disclosures	
Cash Price	$1,890	Cash Price[15]	$1,890
Rental Payment	**$37.03[16]**	**Periodic Payment[17]**	**$44.99**
		Initial Payment[18]	$129.99
Total # of Rental Payments	104	Total # of Rental Payments	104
Rental Purchase Cost[19]	**$3,958.92**	**Total Cost[20]**	**$4,763.96[21]**

As this table shows – assuming the consumer saw the "Point of Rental Disclosures" – she would think that payment of $3,958.92 would be sufficient for ownership. Instead, the real costs of ownership would be over $800 more – or $4,763.96.

Also, these point of rental disclosures need not even be attached to the item on the showroom floor. Under the provisions in H.R.. 1588, this requirement could be met by including the prices in a catalogue somewhere in the merchant's showroom.[22]

---

[15] "Cash Price" is itself a misleading disclosure in this bill as – unlike the laws in many states – it only requires the price the merchant offers the item for sale for cash in the ordinary course of business. Many states, including, e.g. California (Cal. Civ. Code §§1812.644, 1812.631); New York (N.Y. Pers. Prop. Law §§ 500, 501, 503.); West Virginia (W. Va. Code §§ 46B-1-1 to 46B-1-5); and Vermont (Vt. Stat. Ann. tit. 9, § 41b and Rule C.F. § 115.04) require much tighter definitions of cash price.

[16] "Rental Payments" is defined in § 1001(12) to include only the rent required to be paid by a consumer for the rental period. The definition excludes taxes and other fees and charges.

[17] "Periodic Payment" is defined in § 1001(10) to include the rental payment, plus mandatory fees, as well as optional fees, paid by the consumer. Typically consumers pay an additional $5 periodic fee for a waiver of liability. In this example, we are assuming the consumer will pay this fee, as most consumers do pay it.

[18] "Initial Payment" is defined in § 1001(7) to include the amount required to be paid at consummation of the agreement, including security deposit, delivery fees, administrative fees, mandatory fees and optional fees. In this example, we are assuming the following fees:

Rental Payment	-- $37.73
Tax (at 6%)	-- 2.26
Administrative fee--	-- 20.00
Credit Report fee	-- 15.00
Delivery fee	-- 50.00
Waiver of liability fee	-- 5.00
Total	-- **$129.99**

[19] "Rental Purchase Cost" as defined in §1001(15) only includes the sum of all rental payments and mandatory fees. It does not include optional fees. In this example, it would include all the rental payment of $37.73, but not the taxes or the optional waiver of liability fee. It would include the administrative fee and the credit report fee, but not the delivery fee. $37.73 x 104 = $3,923.92 + $20 +$15 = $3,958.92.

[20] The "total Cost" as defined in § 1001(17) includes the sum of the initial payment and all periodic payments (which includes all mandatory and optional fees) to be paid by the consumer to achieve ownership.

[21] The actual APR for this transaction would be 116.89%

[22] H.R. 1588 §1010(b)(1).

2. There are no meaningful penalties even if there were to be a violation of these minimal rules. The liability for violating the provisions (in § 1012) only requires the payment of 25% of the lease payment or $100 (pursuant to the existing provision applicable to leases in the Truth in Lending Act). This tiny amount will not be sufficient to provide incentives for compliance. Moreover, there is no liability against assignees – pursuant to § 1014 – unless the violation is apparent on the face of the document. How would the RTO dealer's failure to honor a consumer's right of reinstatement under §1005(a)(4) be apparent on the face of the rental-purchase contract? It would not, and thus a dealer could ignore the limited protections required by this bill with complete impunity if the contract were assigned to another.

3. No agency adjustment authority. Unlike other federal consumer protection laws (such as the Truth in Lending Act and the Electronic Funds Transfer Act), the agency charged with writing regulations to ensure compliance with this bill will have no discretion to make adjustments or exceptions to ensure that the provisions actually protect consumers.

Real consumer protections are critically needed in RTO transactions

As both the RTO industry and the FTC statistics show, the customer base for RTO transactions is among the poorest Americans – and quite often young military personnel. *The FTC statistics also show that the vast majority of these customers enter into these transactions as a method of purchasing goods.* While the industry attempts to claim that the majority of these transactions are rentals, this is belied by the information provided to the IRS and in litigation. On average the RTO stores dispose of rental units within two years of their purchase of inventory and dispose of about 90% of all rental units with 3 ½ years of purchase. *In other words, everything is sold to the RTO customer base in two to three years.*[23]

The interesting distinction is between the FTC statistics and the industry statistics on this point. The FTC says that seventy percent of RTO merchandise is purchased.[24] The industry indicates in its promotional materials for this bill that "only 25 percent to 30 percent of rental-purchase customers actually pursue the ownership option." The difference between these statistics is that the FTC is counting *people* and the industry is counting *contracts.*

The reason for the difference in the numbers is that RTO customers frequently "refinance" their RTO contracts and continue making payments. Ultimately customers end up owning RTO goods. The 25% rate of initial contracts being completed all the way to purchase is more an indication of the industry's collection practices than it is an indication of customer intent to purchase. The income levels of most RTO customers create ample opportunity for bumps in the customer's economic road that will adversely affect the ability of the customer to consistently continue to pay $19.99 a week to a RTO dealer over a period of 18 to 21 months. This is why the

---

[23] *ABC Rentals v. IRS,* 142 F.3d 1200, 1202 (10th Cir. 1998).

[24] Federal Trade Commission, Bureau of Economics Staff Report, *Survey of Rent-to-Own Customers,* Executive Summary.

reinstatement protections in the governing law are so crucial to the customer. When a customer has defaulted on an RTO contract, some credit for weeks of past payments must be applied toward the purchase of the item. As the industry statistics show, the ultimate purchase will frequently not occur until the customer has entered into two or three RTO contracts for the same or a similar item.

What does this low-income customer base most need to protect them from an industry which preys upon their lack of perceived options? These consumers need protection from high costs and unfair practices. Although we believe that the best way to achieve these protections is to treat these transactions as what they really are, disguised credit sales, *we also believe that adequate federal regulation can be provided in the RTO context.*

There are numerous ways in which RTO legislation can be improved. RTO consumers need, at the least, the following protections:

- Limitations on the total of payments that a consumer should be required to pay for the purchase of the item. Some states (such as West Virginia,[25] Ohio,[26] Connecticut,[27] Iowa,[28] Maine,[29] New York,[30] Pennsylvania,[31]South Carolina[32]) have these limits. Others do not. A federal law could truly protect the consumers by adopting real limitations on the cost of RTO transactions as these states have done.

- Limits on "fees" such as late fees, insurance fees, home pick-up fees, reinstatement fees, etc. Some states have limits already, many do not.

- Reinstatement rights that clearly allow the consumer to have payments made on previous contracts applied to new contracts for the same types of items. H.R. 1588 has a minimal provision on this point (Sec. 1005(a)(4)), but it provides little protection to consumers, and there is no enforcement mechanism.

- Meaningful and correct price tag disclosures, as well as contract disclosures. By the time the customer gets the contract, the decision to proceed with the transaction has often been made. Yet, as explained above, the "point of sale" disclosures in H.R. 1588 are downright deceptive, rather than being helpful.

---

[25] W. Va. Code Ann. § 46B-1-1 – 46B-8-3.

[26] Ohio Rev. Code Ann. § 1351.01 – 1351.09.

[27] Conn. Gen. Stat. Ann. § 42-240 – 42-259.

[28] Iowa Code Ann. § 537.3601 – 537.3624.

[29] Me. Rev. Stat. Ann. tit. 9-A, § 11-101-122.

[30] NY Pers. Prop. § 500-508.

[31] 42 Pa. Cons. Stat. Ann. § 6901-6911.

[32] S.C. Code Ann. § 37-2-701 – 37-2-714.

- Meaningful penalties for dealers who violate the provisions of the RTO statute. As the maximum penalty to be assessed against a dealer who violates the minimal disclosure requirements of this bill is merely 25% of one month's rental payment, there is virtually no incentive for dealers to comply.

- A disclosure like the annual percentage rate (APR) to show the consumer the true cost of renting to own, to allow comparison with other methods of purchasing personal items. This bill would preempt Vermont's law, which requires such a disclosure.

- Limits on maximum RTO interest rates, as New Jersey requires. Recently, the New Jersey Supreme Court upheld these limits on rent-to-own interest rates. The industry's petition to the U.S. Supreme Court for review has been rejected. That is the primary reason they are here in the Congress: to get relief from strong state laws.

Conclusion

HR 1588 is a dangerous anti-consumer bill, designed entirely and solely to protect the RTO industry from the more protective consumer protection laws of some states. Passage of this bill will harm not only the consumers in Minnesota, Wisconsin, Vermont and New Jersey, but consumers in the rest of the nation as well: no state will ever be able to pass the more protective provisions currently in place in these four states.