

RENT TO OWN		Student/Class Goal Students often take advantage of rent-to-own stores as a quick and easy way to buy furniture or major appliances and need to understand the financial consequences they can incur from these businesses.
Outcome <i>(lesson objective)</i> Students draw conclusions about the benefits and disadvantages of using rent-to-own services and support their judgment with evidence from multiple sources.		Time Frame 2-3 hours
Standard <i>Read with Understanding</i>		NRS EFL 5-6
COPS Determine the reading purpose.	Activity Addresses Components of Performance Discover the advantages and disadvantages of rent-to-own services.	
Select reading strategies appropriate to the purpose.	The teacher pre-teaches several vocabulary words using the Subjective Approach to Vocabulary method and students synthesize information with an I-Chart.	
Monitor comprehension and adjust reading strategies.	While reading legal or question/answer texts, students will be able to find the information necessary for completing the I-Chart.	
Analyze the information and reflect on its underlying meaning.	Students compare the pros and cons of the rent-to-own issue using a Discussion Web.	
Integrate it (i.e. new information) with prior knowledge to address the reading purpose.	Students will be asked to make a judgment after evaluating the various informational resources.	
Materials Rent-to-own newspaper ads <i>Rent-To-Own</i> Handout <i>Frequently Asked Questions</i> Handout <i>Ohio Lease Purchase Agreement Law</i> Handout <i>Rent-to-Own</i> I-Chart Venn Diagram <i>Pro/Con Discussion Web</i> Handout Rent to Own Learning Objects		
Learner Prior Knowledge A basic knowledge of rent-to-own stores and experience with reading for information from various texts.		
Instructional Activities Step 1 - Show students the two ads for the flat-panel TV sets. Ask them to determine which is the better buy and why. After answers have been shared, introduce the handouts <i>Rent-To-Own</i> and <i>Frequently Asked Questions</i> to the class. TEACHER NOTE <i>The Ohio Lease Purchase Agreement Law</i> document may be used as a resource or skimmed for additional information. Step 2 - Since some of the Rent-to-Own (RTO) documents have challenging vocabulary, teachers may want to begin with the Subjective Approach to Vocabulary strategy. Teachers will select two or three vocabulary words to pre-teach using this strategy. As students read, they make a list of other vocabulary words they would like to learn using this strategy. Step 3 - As students read the documents about RTO, they will fill in the I-Chart. The teacher may want to model this using one or two sections of the text. Students may choose to work with a partner as they fill in the chart. The I-Chart is an effective way for students to gather information on a topic from a variety of sources and to synthesize this information. TEACHER NOTE Inquiry Charts provides more information about how to use I-Charts. Step 4 - When students are finished with the I-Charts have them work in pairs to discuss what information was different in the two documents and what was the same. Using chart paper or an overhead the teacher draws a Venn diagram and fills it in as pairs share the differences and similarities they found when reading the documents.		

Step 5 - Using the information from the I-Charts and the Venn diagram, students work in pairs to complete [Pro/Con Discussion Webs](#). Partners combine to form groups of four to discuss pros and cons and come to a consensus. Students chose the best reason for their decision and share with the class. Each student writes her/his individual responses to the question. These can be displayed for other students to read.

GED WRITING EXTENSION Using the following GED style writing prompt, have students practice writing an essay for the GED test: *Using a Rent to Own store is a good way to get expensive items you need or want. Do you agree or disagree? Give specific details to explain your views. Use your personal observations, experience, and knowledge.*

Assessment/Evidence *(based on outcome)*

Completed I-Charts, Venn diagrams, Discussion Webs, written responses, list of vocabulary words and observation

Teacher Reflection/Lesson Evaluation

Not yet completed.

Next Steps

Rent to Own Learning Objects will give students additional practice comparing consumer strategies.

Technology Integration

Subjective Approach to Vocabulary strategy <http://literacy.kent.edu/eureka/strategies/subjectiveapproachSAV.pdf>

Inquiry Charts <http://www.adlit.org/strategies/21826>

Venn Diagrams http://literacy.kent.edu/eureka/strategies/venn_diagrams.pdf

Discussion Webs http://literacy.kent.edu/eureka/strategies/discussion_webs.pdf

Neighborhood Legal Services, Inc. <http://www.nls.org/consumer/rent-to-own.htm>

Frequently Asked Questions About the Rental-Purchase Industry http://www.rtotogo.com/rto_faq.asp

Ohio Lease Purchase Agreement Law <http://www.rtoonline.com/Law/printbill.asp?ID=28>

Purposeful/Transparent

Students should be able to examine both sides of an issue in their lives (rent-to-own options) and make decisions based on their knowledge and not just unsubstantiated desires.

Contextual

Students may have used rent-to-own services in the past, but are gaining new understanding of these businesses in order to choose wisely when purchasing items for their homes.

Building Expertise

Students learn new vocabulary, practice reading for information and drawing conclusions based on their comparisons.

Subjective Approach to Vocabulary

SAV builds on experiences and knowledge students have already acquired. Students use personal experiences or associations to build a strong memory and meaning of the new vocabulary word. A guided “talk-through” is led by the teacher to help students become better strategic readers and make connections between each word and their personal experience. Research has found that SAV was significantly more effective than conventional approaches to vocabulary.

Procedure:

1. Teacher selects 2-4 words for pre-teaching from the reading selection.
2. Teacher explains and talks about the conventional meaning of each word and writes a definition on the board.
3. Teacher asks class “What does this word remind you of?” If this is the first time the teacher has used this approach ask “It will be easier for you to learn and remember this new word if you can think of some personal ‘mental pictures’ or experiences that you can connect with it.”
4. Students record the word and the associations made, either their own or another student’s.
5. Teacher asks “Now that you have a dictionary definition and a first reaction or association, what new associations or meanings do you have for this term?”
6. Class reads the selection the words were taken from and compiles a list of words they need definitions for. They begin the process again with the new words.

For more information on Subjective Approach to Vocabulary see, Manzo A. & Manzo U. (1990). Content Area Reading: A Heuristic Approach. Columbus, OH: Merrill Publishing Company, pp. 158-161



Syntax Olevia LT26HVX 26" Flat-Panel LCD HD-Ready TV

Other products by [Olevia](#)

★★★★☆ (12 customer reviews) [More about this product](#)

List Price: \$749.99

Price: \$599.00

You Save: \$150.99 (20%)

Availability: In Stock. Ships from and sold by [Beach Camera](#).

[4 used & new](#) available from **\$487.99**

Plasma, DLP and LCD Televisions

26 in Olevia LCD TV



Rental Rates



\$19.99 for 104 weeks

RTO Total \$2,078.96



\$79.99 for 24 months

RTO Total \$1,919.76

Add to Cart

Amount:



1

Quantity in Basket: 0

Model: EPOLVT26HVX

Product State: New Item

Description

Along with its smooth charcoal black design it delivers an outstanding rich cinema-like experience.

Rental-Purchase Disclosure

* Payments based on rent-to-own agreements (RTO). Some items not available at all locations.

*This is a rental-purchase agreement and no ownership rights are acquired until total amount is paid or early buyout is exercised. Some products may be new or pre-rented. Example: \$17.99 x 104 weeks = \$1870.96 PLUS TAX.

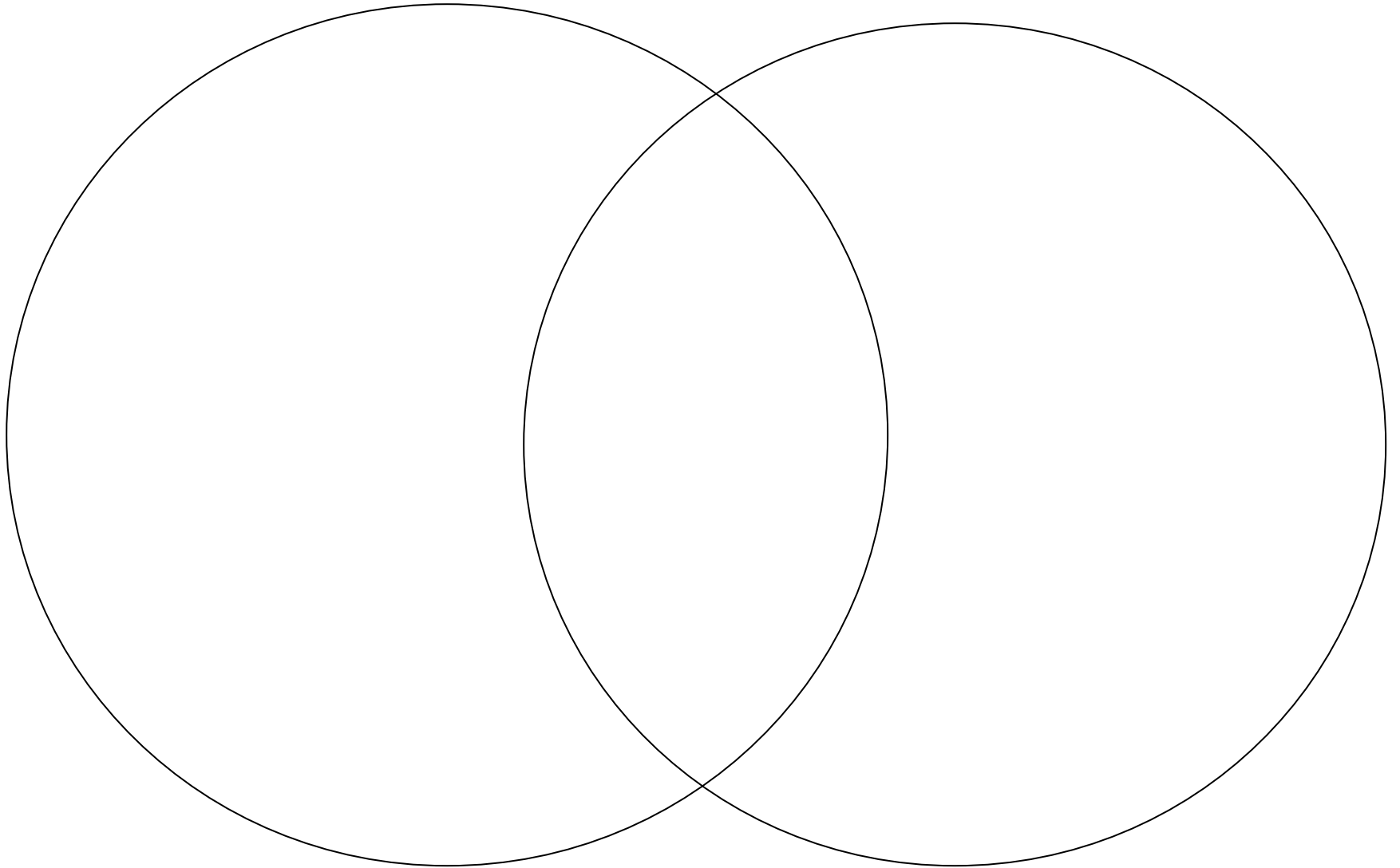
Rent-To-Own I-Chart

Topic RTO	What are the benefits?	What are the disadvantages?	What are protections for the customers?	What are protections for the stores?	What are alternatives to RTO?	Other interesting facts and figures?	What new questions have been raised?
What we know							
Rent-To-Own							
Frequently Asked Questions							
Summary							

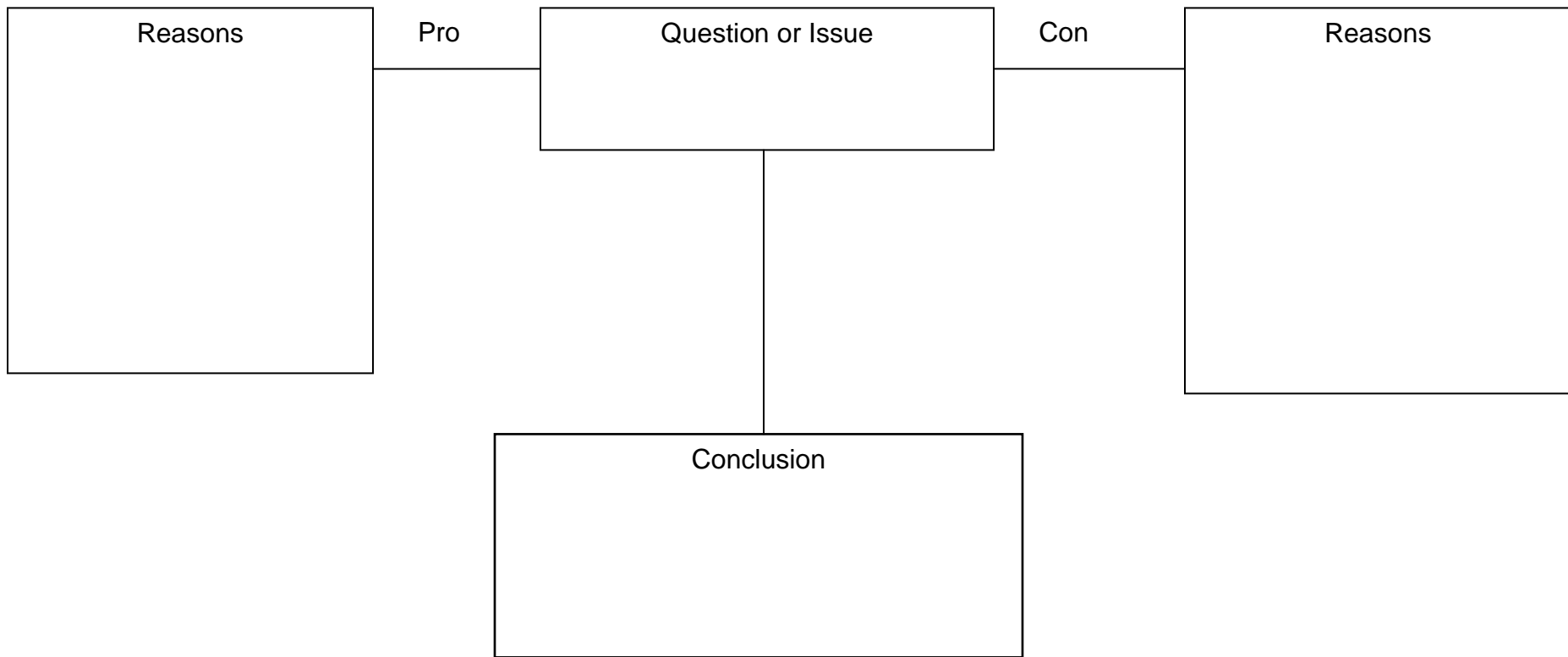
Venn Diagram

Rent to Own

Frequently Asked Questions



Pro/Con Discussion Web



RENT-TO-OWN

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What is rent-to-own?

Rent-to-own is when you pay a monthly or weekly fee to use a product. If you no longer want to pay the fee, you simply return the product. After you have paid an agreed-upon amount, you will own the product.

What are the benefits of rent-to-own?

For the consumer that only rents products for a short time (six months or less), there are many benefits to rent-to-own. Rent-to-own stores usually have quality merchandise and good customer service. Their collection practices are generally fair. There are no credit checks and no down payments. This is a great way to fill a temporary need or to try out products before purchasing them. Finally, the merchandise can be returned without further obligation for payment or negative impact on your credit rating.

What are the drawbacks of rent-to-own?

For customers who end up purchasing merchandise through rent-to-own payments, it is no longer a good deal. In fact, you can end up paying **three to five times more** for a product than you would if you bought it at another store.

How can this happen with such small weekly payments?

Each product at a rent-to-own outlet has a "cash price." This is how much you would pay for the product if you were to pay for it all at once. Rent-to-own cash prices are as much as twice as much as department or discount store prices. Each product also has a "total cost." This is how much you will end up paying for the product by making all of the regular payments. Let's look at an example:

Suggested Retail Price of 27" JVC television (AV27120)*	\$399.95
Cash Price at Rent-A-Center of a 27" JVC television (AV27870)	\$773.00
Amount of Payments	\$16.99 / week
Number of Payments	84 (21 months)
Total Cost of Purchasing Through Rental Payments (Amount of Payments x # of Payments)	\$1,427.16

*Since JVC discontinued production of the AV27870 in 1996, we are using the retail price of the current model AV27120, which is nearly identical in features.

Buying this TV through rental payments will cost you \$654.16 more than it would to purchase it at the cash price from the rent-to-own store— almost twice the price. Buying this TV through rental payments would cost you \$1,027.21 more than it would to purchase it from Wal-Mart or Rosa's— three

and a half times the price! Not to mention the fact that by purchasing at a retailer, you would be getting a newer model.

What do they mean by "90 days same as cash"?

A lot of rent-to-own outlets will count all your periodic payments for the first 90 days towards the cash price. If you pay the total cash price within 90 days, you can own the product. In the previous example, at the end of 90 days you normally will have paid \$303.88 in rental payments. That means you will have to more than double your payments in that time to take advantage of the "90 days same as cash" deal. Even if you can afford to double your payments, you will still pay far more than you would by purchasing it at another store.

Can I save money by purchasing the item early?

Rent-to-own outlets in New York State have to give you an "early purchase option" in which you can purchase the item early by paying the cash price minus half of your past rental payments. If you chose to purchase the 27" JVC TV after making one-quarter (21) payments, you would pay a total of \$951.39. Although this is less than the total cost, you would still save a lot of money by using a credit card to purchase it elsewhere.

What information is the rent-to-own outlet required to give me?

New York State Law requires that rent-to-own contracts, advertisements, and product tags all state the cash price of the merchandise, the amount of the periodic payment, the total number of periodic payments, and the total amount that must be paid to acquire ownership (labeled the "total cost"). Contracts must also include information, in **10-point bold font**, on the amount and purpose of any fees or charges, whether or not the consumer is responsible for loss or damage and how much, whether the product is new or used, and a statement of the conditions under which a consumer can exercise an early purchase option. The contract must also state that at a consumer's written request, he or she will be able to review the completed contract for up to 24 hours prior to signing the contract.

What if I am late making payments?

Rent-to-own outlets can only charge late fees if payment is late by more than three days for weekly agreements or seven days for monthly agreements. For weekly agreements, the fee cannot be greater than \$3.00 or 10% of the delinquent amount, whichever is greater. For monthly agreements, the fee cannot be greater than \$5.00 or 10% of the delinquent amount, whichever is greater.

If I return the merchandise, can I reinstate my contract later?

Yes. If you return the merchandise, you are allowed anywhere from 30 to 180 days, depending upon the amount of payments you have made, to reinstate your contract. This means that you can continue to make rental payments towards purchasing an item and you will be credited for your past payments on that item.

What are my options besides rent-to-own?

Rent-to-own is a very expensive way to purchase merchandise. If you really need the item and you can't purchase it used, consider the following options:

Layaway: Layaway is when a store allows you to make payments on a product. You don't get the product until you finish paying for it, but you aren't charged interest.

Credit Cards: Consider charging the product if you have a charge card. If it took you the same amount of time to pay off the charge card bill as it would to complete rent-to-own payments, you still would be paying a lot less.

Financing: Many electronic, appliance, and home furnishing stores have financing plans available.

This information letter was prepared with a grant from The Community Foundation for Greater Buffalo

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Frequently Asked Questions

About The Rental-Purchase Industry...

With the rental-purchase transaction, there is no debt or obligation to make further payments.

Why should I choose rental-purchase instead of buying?

There are many benefits to the rental-purchase option that are not offered in a traditional retail sale transaction. Some of those benefits are:

- Return your merchandise at any time with no obligation to continue payments. This is especially beneficial when unexpected loss of income or unplanned expenses arise such as household or auto repairs.
- Your rental payment can be used to help establish future credit references/lines.
- There are no credit checks and no affect on your credit rating. This gives you the option of using your existing credit line for major purchases and investments.
- All merchandise is serviced and repaired at no charge while you are renting.
- Should your product need repair or replacement, "loaner" merchandise is provided while you are renting.
- Delivery, set-up and product education are often included in the cost of the rental.
- You are the customer long after you walk out the door. You make the decisions to keep or return your product each week / month based on your satisfaction with its performance and our service. RTO companies must earn your business each time you make a payment.

Who are your customers?

Statistics indicate that many rental-purchase customers are homeowners, some are married with children. Customers include students, temporarily assigned business executives, military personnel and in-transit individuals and families.

Lots of people use rental purchase. All customers have one thing in common; they have immediate needs but don't want or can't accept long-term obligations. Some customers have no access to credit arrangements.

Is the quality of your merchandise the same as a retail store?

High quality product is essential to your satisfaction and to the rental dealer's success. Most RTO companies carry quality, selection, and brand names in their stores because they service their products for the duration of the rental agreement, making it even more important to provide quality merchandise.

What do you need to know about me before I can rent something?

Information about you is taken on a rental application form. Many RTO dealers make their order form available online. It only takes a few minutes. Identification, address verification, income sources, and personal references are all that is typically required.

Are there hidden charges in renting?

Your total merchandise cost is computed for you before you sign any rental agreement. In addition, retail pricing is often available for comparison. Currently, 45 States regulate the rental purchase transaction with laws designed to protect the consumer.

Additional charges can apply for reinstatement and in-home payment pick-up. These charges are clearly outlined in the Rental-Purchase Agreement you sign when you begin renting and are normally explained at that time. Optional insurance and other benefits may also be offered but are not required.

Doesn't it cost a lot more than retail?

Rental-purchase costs include charges for services and options not offered in a traditional retail transaction. The many benefits listed above cause operating expenses to be higher for rental-purchase than for retail. The rental customer gets what they pay for: more service, more options, no debt, and more convenience than retail can offer. In most cases, retail will be less expensive but it is not an accurate comparison due to the many differences between retail and rental-purchase.

What happens if I decide to return something or can't make my payment?

You don't need a reason to return merchandise. Your rental agreement is on a weekly or monthly basis with payments made in advance. If you decide you don't need or want the merchandise, just call and make arrangements for return.

If you do not make your payment on time, reinstatement options are usually available which enable you to continue your agreement without losing any rights or privileges acquired to date. Reinstatement options are outlined in the Rental Purchase Agreement you sign at the time of rental and may also be regulated by State Law.

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Ohio Lease Purchase Agreement Law

1351.01 Definitions.

Text of Statute

As used in this chapter:

(A) "Advertisement" means any written, visual, or oral communication made to a lessee or prospective lessee by means of personal representation, newspaper, magazine, circular, billboard, direct mailing, sign, radio, television, telephone, or other means of communication, that aids, promotes, or assists, directly or indirectly, a lease-purchase agreement.

(B) "Cash price" means the price at which a lessor in the ordinary course of business would offer the property that is the subject of a lease-purchase agreement to the lessee for cash on the date of the lease-purchase agreement. It may include sales taxes.

(C) "Lessee" means an individual who leases personal property pursuant to a lease-purchase agreement.

(D) "Lessor" means a person who, in the ordinary course of business, regularly offers to lease or arranges for personal property to be leased pursuant to a lease-purchase agreement.

(E) "Personal property" means any property that is not real property under the laws of the state where it is located when it is offered or made available for a lease-purchase agreement.

(F) "Lease-purchase agreement" means an agreement for the use of personal property by an individual primarily for personal, family, or household purposes for an initial period of four months or less that is automatically renewable with each lease payment after the initial period and that permits the lessee to acquire ownership of the property. It does not include any of the following:

(1) A lease for agricultural, business, or commercial purposes;

(2) A lease made to an organization;

(3) A lease of money or intangible personal property;

(4) A lease of a motor vehicle as defined in section 4501.01 of the Revised Code.

HISTORY: 142 v H 421. Eff 6-29-88.

The provisions of § 3 of HB 421 (142 v --) read as follows:

SECTION 3. Chapter 1351. of the Revised Code shall be known as "Lease-Purchase Agreements."

§ 1351.02 Required disclosures in connection with lease-purchase agreement

Text of Statute

(A) A lessor shall disclose all of the following in a clear and conspicuous manner:

(1) A brief description of the leased property, sufficient to identify the property to the lessee and lessor and a statement as to whether the property is new, used, or previously leased. If a lease is for multiple items of property, a description of each item may be provided in a separate statement incorporated by reference in the lease-purchase agreement or primary disclosure statement.

(2) The total amount of any initial payment, including any advance payment, delivery charge, or any trade-in allowance to be paid by the lessee at or before consummation of the lease-purchase agreement;

(3) The amount and timing of lease payments;

(4) The amount of all other charges, individually itemized, payable by the lessee to the lessor, that are not included in the lease payments;

(5) The party who is liable for loss, damage in excess of normal wear and tear, or destruction of the leased property;

(6) The right of the lessee to reinstate as set forth in section 1351.05 of the Revised Code and the amount or method of determining the amount of the delinquency charges, reinstatement fee, or delivery charge for reinstatement;

(7) The party responsible for maintaining or servicing the leased property and a brief description of the responsibility;

(8) The conditions upon which the lessee or lessor may terminate the lease prior to the expiration of the lease term;

(9) The total of all initial payments, all lease payments, and all other charges necessary to acquire ownership of the leased property;

(10) That the lessee has the option to purchase the leased property during the lease term and at what price, or by what formula or method the purchase price will be determined;

(11) The cash price of the personal property that is the subject of the lease-purchase agreement;

(12) That if any part of a manufacturer's warranty exists on the leased property when a lessee acquires ownership of the property, the warranty will be transferred to the lessee;

(13) That the lessee is not required to purchase insurance for the property that is the subject of the lease from the lessor or from any insurer owned or controlled by the lessor;

(14) A notice in a prominent place in at least twelve-point type or in legible print with letters at least one-eighth inch in size, in substantially the following form:

"NOTICE: THIS LEASE-PURCHASE AGREEMENT IS REGULATED BY STATE LAW AND MAY BE ENFORCED BY THE ATTORNEY GENERAL OR BY PRIVATE LEGAL ACTION."

(B) Every lease-purchase agreement shall be in writing. The information required by this section shall be disclosed by the lessor prior to the signing of the lease-purchase agreement by the lessee and shall be disclosed either in the lease-purchase agreement or on a dated, separate piece of paper that identifies the lease-purchase agreement and the parties to it.

(C) The disclosures required by this section shall be printed or typed in at least ten-point boldface type, and numerical amounts and percentages shall be stated in figures. All information required by this section shall be stated in a clear and coherent manner, using words and phrases of common meaning. The information shall be appropriately divided and captioned by its sections.

(D) A lessor may disclose information that is not required by this section if the additional information is not stated, used, or placed in a manner that will contradict, obscure, or distract attention from the required information.

(E) With respect to matters specifically governed by the "Consumer Credit Protection Act," 15 U.S.C. 1667, 90 Stat. 257, as amended, compliance with such act satisfies the requirements of this section. HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.03 **Prohibited provisions of agreement.**

Text of Statute

(A) A lease-purchase agreement shall not contain a provision that requires a lessee to do any of the following:

(1) Execute a warrant of attorney to confess judgment;

(2) Authorize the lessor or an agent of the lessor to commit a breach of the peace in the repossession of property that is the subject of the lease-purchase agreement;

(3) Waive a defense, counterclaim, or any right the lessee has against the lessor or an agent of the lessor.

(B) No lease-purchase agreement shall provide that mere failure to return property constitutes probable cause for a criminal action.

HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.04 Terms lessor may not require.

Text of Statute

A lessor shall not require any of the following from a lessee:

(A) The purchase of insurance from the lessor for property that is the subject of a lease-purchase agreement;

(B) Any payment in addition to the number of lease payments specified in the lease-purchase agreement other than the payment described in division (B) of section 1351.06 of the Revised Code, that is required in order for the lessee to acquire ownership of the leased property;

(C) Lease payments that in the aggregate exceed the maximum permissible amount set forth in section 1351.06 of the Revised Code;

(D) A penalty for early termination of a lease-purchase agreement or for the return of any leased property at any time;

(E) A fee for in-home collection of a lease payment unless the amount of the fee is disclosed and the lessee expressly has agreed to pay the fee.

HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.05 Lessee's right to reinstate agreement after default; grace period.

Text of Statute

(A) A lessee who fails to make timely lease payments has the right to reinstate the original lease-purchase agreement without losing any rights or options previously acquired under the lease-purchase agreement within three lease terms after the expiration of the last lease term for which the lessee made a timely payment if the lessee surrenders the leased property to the lessor when the lessor or its agent requests him to surrender the leased property.

(B) Before reinstating a lease-purchase agreement, a lessor may require a lessee to pay any unpaid lease payments, delinquency charges, a reasonable reinstatement fee of not more than five dollars, and a delivery charge if redelivery of the leased property is necessary.

(C) If reinstatement occurs pursuant to this section, the lessor shall provide the lessee with either the same property leased by the lessee prior to reinstatement or substitute property that is of comparable quality and condition. If substitute property is provided, the lessor shall provide the lessee with all of the disclosures required by section 1351.02 of the Revised Code.

(D) A lessee who fails to make a timely lease payment shall, before such lessee is determined to be in default, be allowed a grace period of not less than two days if payments are made in weekly installments and not less than five days if payments are made in monthly installments; however, no lessee shall be entitled to more than three such monthly grace periods per year.

HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.06 Lessee's right to acquire ownership when 50% of payments equals cash price.

Text of Statute

(A) No lessor shall offer a lease-purchase agreement in which fifty per cent of all lease payments necessary to acquire ownership of the leased property exceed the cash price of the leased property. When fifty per cent of all lease payments made by a lessee equals the cash price of the property disclosed to the

lessee pursuant to division (A)(11) of section 1351.02 of the Revised Code, the lessee shall acquire ownership of the leased property and the lease-purchase agreement shall terminate.

(B) At any time after tendering an initial lease payment, a lessee may acquire ownership of the property that is the subject of the lease-purchase agreement by tendering an amount equal to the amount by which the cash price of the leased property exceeds fifty per cent of all lease payments made by the lessee.

HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.07 **Advertising; information to be stamped on or affixed to property.**

Text of Statute

(A) No advertisement for a lease-purchase agreement shall state that a lease of any specific property is available at specific amounts or on specific terms unless the lessor will lease the property at those amounts or on those terms.

(B) No advertisement shall state that a payment or a lease payment is due upon origination of a lease without disclosing all of the following:

(1) The payment due upon origination of the lease;

(2) The lease payment;

(3) The total number of lease payments necessary to obtain ownership of the property that is the subject of the lease-purchase agreement.

(C) All property displayed or offered under a lease-purchase agreement shall have stamped upon or affixed to the property and clearly and conspicuously indicated in Arabic numerals that are readable and understandable by visual inspection, all of the following:

(1) The cash price of the property;

(2) The amount of the lease payment;

(3) The total number of lease payments necessary to acquire ownership of the property that is the subject of the lease-purchase agreement.

(D) With respect to matters specifically governed by the "Consumer Credit Protection Act," 15 U.S.C. 1667, 90 Stat. 257, as amended, compliance with such act satisfies the requirements of this section.

HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.08 **Lessor's liability for noncompliance.**

Text of Statute

(A) A lessor who fails to comply with the requirements of this chapter with respect to a lease-purchase agreement is liable to the lessee in an amount equal to the sum of the following:

(1) The costs of the action and reasonable attorney's fees as determined by the court;

(2) The greater of the following:

(a) The actual damages sustained by the lessee as a result of the failure of the lessor;

(b)(i) In the case of an individual action, twenty-five per cent of the total amount necessary to acquire ownership of the property that is the subject of the lease-purchase agreement, but not less than two hundred dollars or more than one thousand dollars;

(ii) In the case of a class action, an amount the court determines to be appropriate except that as to each member of the class no minimum recovery is applicable. The total recovery under division (A)(2)(b)(ii) of

this section in any class action or series of class actions arising out of the same failure to comply cannot be more than the lesser of five hundred thousand dollars or an amount equal to one per cent of the net worth of the lessor.

(B) If a particular lease-purchase agreement has more than one lessee, only one recovery of damages is allowed under division (A)(2) of this section for a violation of this chapter. Multiple violations in connection with a single lease-purchase agreement entitle the lessee or multiple lessees to only one recovery under this section.

(C) No action under this section may be brought more than two years after the occurrence of the violation that is the subject of the suit, or more than two years after the lessee made his last lease payment, whichever is later. This division does not bar a lessee from asserting a violation of this chapter as a matter of defense by recoupment or set-off in an action brought by a lessor more than two years after the date of the occurrence of the violation on an obligation arising from the lease-purchase agreement.

(D) A lessee may not take any action to offset any amount for which a lessor is potentially liable under division (A)(2) of this section against any amount owed by the lessee, unless the amount of the liability of the lessor has been determined by a judgment of a court of competent jurisdiction in an action in which the lessor was a party. This division does not bar a lessee in default on an obligation arising from the lease-purchase agreement from asserting a violation of this chapter in an original action, or as a defense or counterclaim to an action brought by the lessor to collect amounts owed by the lessee pursuant to the lease-purchase agreement.

HISTORY: 142 v H 421. Eff 6-29-88.

§ 1351.09 **Limitations on lessor's liability.**

Text of Statute

(A) A lessor is not liable under section 1351.08 of the Revised Code for any violation of the requirements of this chapter if, within sixty days after discovering an error, and before an action for damages is filed against him pursuant to section 1351.08 of the Revised Code or written notice of the error is received from the lessee, the lessor notifies the lessee of the error and makes adjustments to the account of the lessee that are necessary to assure that the lessee is not required to pay an amount in excess of the amounts actually disclosed. This division applies whether the error was discovered through the lessor's own procedures or by any other means.

(B) A lessor is not liable under section 1351.08 of the Revised Code for damages in excess of the actual damage sustained by the lessee if the lessor shows by a preponderance of the evidence that the violation of this chapter resulted from a bona fide error notwithstanding the maintenance by the lessor of procedures reasonably adopted to avoid the error. As used in this division, "bona fide error" includes, but is not limited to, clerical, calculation, computer malfunction and programming, and printing errors.

Flesch-Kincaid 14.2



<http://www.wisconline.org>

What I Want Now...the Hidden Cost of Rent-to-Own

Author: Kristin Biekkola

School: Fox Valley Technical College **Date:** 3/15/2002

Description: The student analyzes the costs of rent-to-own buying plans and compares those plans to other consumer strategies.

http://www.wisc-online.com/objects/index_tj.asp?objID=ABM3702

Rent to Own Learning Objects