

114TH CONGRESS
2D SESSION

H. R. 5928

To amend the Consumer Financial Protection Act of 2010 to establish requirements relating to rent-to-own transactions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2016

Mr. DELANEY (for himself and Mr. CARNEY) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To amend the Consumer Financial Protection Act of 2010 to establish requirements relating to rent-to-own transactions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Expanding Rent-to-
5 Own Protections Act of 2016”.

6 **SEC. 2. RENT-TO-OWN TRANSACTIONS.**

7 (a) DEFINITION OF RENT-TO-OWN TRANSACTION.—
8 Section 1002(5) of the Consumer Financial Protection Act
9 of 2010 (12 U.S.C. 5481(5)) is amended—

1 (1) by redesignating subparagraphs (A) and
2 (B) as clauses (i) and (ii), respectively (and con-
3 forming the margins accordingly);

4 (2) in clause (ii), as so redesignated, by striking
5 the period at the end and inserting “; or”;

6 (3) by striking “means any financial product or
7 service that is described in one or more categories
8 under—” and inserting “means—

9 “(A) any financial product or service that
10 is described in one or more categories
11 under—”; and

12 (4) by adding at the end the following new sub-
13 paragraph:

14 “(B) a contract in the form of a ter-
15 minable lease or bailment of personal property
16 (other than a lease or bailment of a motor vehi-
17 cle as defined in section 1029(f)) used by a con-
18 sumer primarily for personal, family, or house-
19 hold purposes, under which—

20 “(i) a consumer has the right of pos-
21 session and use of such property and has
22 the option to renew the contract periodi-
23 cally by making payments specified in the
24 contract; and

1 “(ii) a seller agrees, in writing or oral-
2 ly, to transfer ownership of such property
3 to the consumer upon the fulfillment of all
4 obligations of the consumer under the con-
5 tract for that transfer.”.

6 (b) REGULATIONS RELATING TO RENT-TO-OWN
7 TRANSACTIONS.—Pursuant to authority granted under
8 section 1031 of the Consumer Financial Protection Act
9 of 2010 (12 U.S.C. 5531), the Bureau of Consumer Fi-
10 nancial Protection shall prevent unfair, deceptive, or abu-
11 sive acts or practices in connection with any contract de-
12 scribed in section 1002(5)(B) of the Consumer Financial
13 Protection Act of 2010 (as added by this Act) and, not
14 later than 1 year after the date of the enactment of this
15 Act, shall issue regulations identifying methods to protect
16 consumers from entering into such contracts.

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