

97TH GENERAL ASSEMBLY**State of Illinois****2011 and 2012****SB0054**

Introduced 1/27/2011, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

See Index

Amends the Rental-Purchase Agreement Act. Requires additional disclosures in a rental-purchase (aka rent to own) agreement clarifying the specific terms of the agreement including cost terms, minimum obligation period, and a notice putting the nature of the agreement in layman's terms. Provides that the rental-purchase agreement must provide that if the merchandise is returned to the merchant during the restatement period, the later of one week or half the number of days in a regular payment period, the consumer shall have the right to reinstate the agreement for a period of not less than one year. Creates an early purchase option where the consumer has the right to acquire ownership of the merchandise at any time during the agreement by paying the merchant a price determined by a multiplier. Provides that the merchant shall reduce the amount of each rental payment when the consumer experiences an interruption or reduction in income of more than 25% due to involuntary job loss/reduction, illness, pregnancy, or disability after at least 1/2 of the amount of the rental payments have been made. Provides that the merchant shall maintain the merchandise in good working order or replace or repair the merchandise without any fee to the consumer. Provides that a consumer has the ability to review a rental-purchase agreement for 48 hours prior to signing and that the consumer has the right to cancel the agreement without penalty before taking possession of the merchandise. Provides that a rental-purchase agreement shall not contain a mandatory arbitration clause. Establishes maximum cash prices for categories of merchandise and mandates the use of a terming matrix to establish a maximum cash price for merchandise on its second or subsequent rental. Provides that an advertisement must state whether its terms are for new or used merchandise. Provides that a merchant may not be held liable for an unintentional action that resulted from a bona fide or clerical error. Provides that an action shall not be brought after the later of 4 years after the occurrence of the act or one year after the last payment. Provides for enforcement by the Attorney General. Amends the Consumer Fraud and Deceptive Practices Act to make a violation of the Rental-Purchase Agreement Act a violation of that Act.

LRB097 02857 AEK 42879 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Rental-Purchase Agreement Act is amended by
5 changing Sections 1, 2, 3, 4 and 5 and by adding Sections 2.1,
6 2.2, 2.3, 2.4, 2.5, 2.6 and 4.1 as follows:

7 (815 ILCS 655/1) (from Ch. 121 1/2, par. 1801)

8 Sec. 1. Definitions. In this Act:

9 (1) "Advertisement" means a commercial message in any
10 medium that directly or indirectly promotes or assists a
11 rental-purchase agreement.

12 (2) "Cash price" means the price for which the merchant
13 would have sold the merchandise to the consumer for cash on the
14 date of the rental-purchase agreement.

15 (3) "Consumer" means an individual who leases personal
16 property under a rental-purchase agreement.

17 (4) "Merchandise" means the personal property that is the
18 subject of a rental-purchase agreement.

19 (5) "Merchant" means a person who, in the ordinary course
20 of business, regularly leases, offers to lease or arranges for
21 the leasing of merchandise under a rental-purchase agreement,
22 and includes a person who is assigned an interest in a
23 rental-purchase agreement.

1 (6) "Rental-purchase agreement" means an agreement for the
2 use of merchandise by a consumer for primarily personal, family
3 or household purposes for an initial period of 4 months or less
4 that is automatically renewable with each payment after the
5 initial period and that permits the consumer to become the
6 owner of the merchandise.

7 (7) "Cost of rental" means the difference between the total
8 of payments necessary to acquire ownership under the
9 rental-purchase agreement and the cash price of the rental
10 merchandise that is subject to the rental-purchase agreement.

11 (8) "Fee" means any payment, charge, fee, cost, or expense,
12 however denominated, other than a rental payment.

13 (9) "Appliance" means and includes any refrigerator,
14 freezer, range including any cook top or oven, microwave oven,
15 washer, dryer, dishwasher, room air conditioner, air purifier,
16 or other machine for routine household tasks.

17 (10) "Electronic set" means and includes any television,
18 radio, camera, video game system, or computer system, or any
19 type of device for the recording, storage, copying, printing,
20 transmission, display, or playback of any sound or image.

21 (11) "Merchant's cost" means the documented actual cost,
22 including actual freight charges, of the rental merchandise to
23 the merchant from a wholesaler, distributor, supplier, or
24 manufacturer and net of any discounts, rebates, and incentives
25 that are vested and calculable as to a specific item of
26 merchandise at the time the merchant accepts delivery of the

1 merchandise.

2 (12) "Total of payments" means the total amount of periodic
3 payments necessary to acquire ownership of the merchandise if
4 the consumer makes all regularly scheduled payments.

5 (13) "Periodic payment" means a payment to be made by a
6 consumer for the right of the possession and use of merchandise
7 for a specific rental period, but does not include taxes
8 imposed on such payment.

9 (14) "Mandatory arbitration clause" means a term or
10 provision contained in a rental-purchase agreement which
11 requires the consumer to submit any controversy thereafter
12 arising under the agreement to arbitration prior to the
13 commencement of any legal action to enforce the provisions of
14 the agreement and which also provides language to the effect
15 that the decision of the arbitrator or panel of arbitrators in
16 its application to the consumer shall be final and not subject
17 to court review.

18 (Source: P.A. 85-957.)

19 (815 ILCS 655/2) (from Ch. 121 1/2, par. 1802)

20 Sec. 2. Form.

21 (a) A rental-purchase agreement must be written in plain
22 English and clearly and simply in any other language used by
23 the merchant in any oral or written advertisement related to
24 the rental-purchase agreement. Numerical amounts must be
25 stated in figures.

1 (b) Disclosures required by this Act must be printed or
2 typed in each rental-purchase agreement in a size equal to at
3 least 10 point bold-faced type in a color or shade that clearly
4 contrasts with the background.

5 (c) A rental-purchase agreement may not contain a
6 provision:

7 (1) requiring a confession of judgment;

8 (2) authorizing a merchant or an agent of the merchant
9 to commit a breach of the peace in the repossession of
10 merchandise;

11 (3) waiving a defense, counterclaim or right the
12 consumer may have against the merchant or an agent of the
13 merchant;

14 (4) requiring the purchase of insurance from the
15 merchant to cover the merchandise;

16 (5) requiring the payment of a late charge or
17 reinstatement fee unless a periodic payment is delinquent
18 for 3 days and the charge or fee is in an amount not more
19 than \$5; or

20 (6) requiring a payment at the end of the scheduled
21 rental-purchase term in excess of or in addition to a
22 regular periodic payment in order to acquire ownership of
23 the merchandise. In no event shall the consumer be required
24 to pay a sum greater than the total amount to be paid to
25 acquire ownership, as disclosed in item (3) of subsection
26 (g) of this Section.

1 (d) Only one late charge or reinstatement fee may be
2 collected on a payment regardless of the period during which it
3 remains in default.

4 (e) A rental-purchase agreement must provide that:

5 (1) a charge in addition to periodic payments, if any,
6 must be reasonably related to the service performed; ~~and~~

7 (2) a consumer who fails to make a timely payment may
8 reinstate an agreement, without losing rights or options
9 previously acquired, by taking the required action before
10 the later of one week or half of the number of days in a
11 regular payment period after the due date of the payment, and
12 this period of time hereinafter referred to as the
13 "reinstatement period"; and -

14 (3) if the merchandise is returned to the merchant
15 during the applicable reinstatement period, other than
16 through judicial process, the right to reinstate the
17 agreement must be extended for a period of not less than
18 one year.

19 (f) Notice of the right to reinstate an agreement must be
20 disclosed in the agreement. This Act does not prevent a
21 merchant from attempting repossession of merchandise during
22 the reinstatement period, in accordance with the agreement, and
23 the consumer's right to reinstate an agreement does not expire
24 because of such a repossession. If the consumer is entitled to
25 reinstatement after repossession, then, within 15 days of the
26 repossession, the merchant must provide written notice to the

1 consumer of the consumer's right to reinstate the agreement. ~~If~~
2 ~~the merchandise is returned to the merchant during the~~
3 ~~applicable reinstatement period, other than through judicial~~
4 ~~process, the right to reinstate the agreement shall be extended~~
5 ~~for a period of not less than 30 days if the consumer has paid~~
6 ~~less than 60% of the total amount to be paid to acquire~~
7 ~~ownership of the merchandise and shall be extended for a period~~
8 ~~of not less than 60 days if the consumer has paid 60% or more of~~
9 ~~the total amount to be paid to acquire ownership of the~~
10 ~~merchandise.~~ On reinstatement, the merchant shall provide the
11 consumer with the same merchandise or substitute merchandise of
12 comparable quality and condition. If substitute merchandise is
13 provided, the merchant shall also provide the consumer with the
14 disclosures required in subsection (g) of this Section.

15 (g) A rental-purchase agreement must be contained in a
16 single document and must clearly and conspicuously disclose all
17 of the following ~~disclose:~~

18 (1) whether the merchandise is new or used;

19 (2) the names of the merchant and the consumer, the
20 merchant's business address and telephone number, the
21 consumer's address, the date on which the agreement is
22 executed, and a description of the merchandise sufficient
23 to identify it ~~the amount and timing of payments;~~

24 (3) the minimum period for which the consumer is
25 obligated under the rental-purchase agreement, the
26 duration of the rental-purchase agreement if all regularly

1 scheduled periodic payments are made, the amount of each
2 periodic payment, and the total amount and number of
3 periodic payments necessary to acquire ownership of the
4 merchandise if the renter makes all regularly scheduled
5 periodic payments ~~the total number of payments necessary~~
6 ~~and the total amount to be paid to acquire ownership of the~~
7 ~~merchandise;~~

8 (4) the amount and purpose of any payment, charge or
9 fee in addition to the regular periodic payments;

10 (5) whether the consumer is liable for loss or damage
11 to the merchandise, and, if so, the maximum amount for
12 which the consumer may be liable, which in the case of loss
13 shall in no event be greater than the price the consumer
14 would have paid to exercise an early purchase option
15 pursuant to this Act or the cost of repair as determined by
16 the merchant;

17 (6) that the consumer does not acquire ownership rights
18 unless the consumer has complied with the ownership terms
19 of the agreement; ~~and~~

20 (7) the cash price of the merchandise, whether the
21 merchandise is new or used; ~~and~~

22 (8) the cost of rental;

23 (9) a statement of the consumer's right to acquire
24 ownership by the early purchase option as provided in this
25 Act, including substantially the following statement: "The
26 attached chart shows the amount required to exercise your

1 early purchase option after each renewal payment, assuming
2 you make each periodic payment on time." The
3 rental-purchase agreement shall be accompanied by a chart
4 showing the amount required to exercise the consumer's
5 early purchase option after each periodic payment if
6 payments are made as scheduled;

7 (10) a description of the consumer's reinstatement
8 rights as provided in subsection (e) of this Section;

9 (11) a description of the consumer's right to lower
10 periodic payment amounts as provided in Section 2.2 of this
11 Act;

12 (12) a statement that the unexpired portion of all
13 warranties provided by the manufacturer, distributor, or
14 seller of the merchandise will be transferred by the
15 merchant to the consumer at the time the consumer acquires
16 ownership of the merchandise from the merchant, if such
17 warranty coverage is transferable;

18 (13) a description of the merchant's obligation to
19 maintain the rental merchandise and to repair or replace
20 rental merchandise that is not operating properly, as
21 provided in Section 2.3 of this Act; and

22 (14) the following notice:

23 NOTICE

24 You are renting this merchandise. You will not own it until

1 you make all of the regularly scheduled payments or until you
 2 exercise the early purchase option.

3 You do not have the right to keep this merchandise if you
 4 do not make required payments or do not use the early purchase
 5 option. If you miss a payment, the merchant can repossess the
 6 merchandise, but you may have the right to have the same or
 7 similar merchandise returned.

8 See the contract for an explanation of your rights.

9 (h) The disclosures required by items (3), (7), and (8) of
 10 subsection (g) of this Section shall be printed in the
 11 following form that shall appear immediately above the space
 12 reserved for the consumer's signature in the rental-purchase
 13 agreement:

<hr/>		
15 <u>Total of Payments</u>	<u>Cost of Rental</u>	<u>Cash Price</u>
16 <u>\$</u>	<u>\$</u>	<u>\$</u>
17 <hr/>	<hr/>	<hr/>
18 <u>You must pay this</u>	<u>Amount over cash</u>	<u>Merchandise</u>
19 <u>amount to own the</u>	<u>price you will pay</u>	<u>available at</u>
20 <u>merchandise if</u>	<u>if you make all</u>	<u>this price for</u>
21 <u>you make all the</u>	<u>regular payments.</u>	<u>cash from the</u>
22 <u>regular payments.</u>		<u>merchant. See</u>
23 <u>You can buy the</u>		<u>about your early</u>
24 <u>merchandise for</u>		<u>purchase option</u>
25 <u>less under the early</u>		<u>rights.</u>

1 purchase option.

<u>Amount of</u> <u>each payment</u>	<u>Number of</u> <u>Payments</u>	<u>Rental Period</u>
\$		
<u>per</u>		
<hr/>		
<u>(insert period)</u>		

8 (i) The form prescribed in subsection (h) of this Section
 9 shall be clearly and conspicuously placed on a tag or sticker
 10 affixed to the merchandise available for rental-purchase. If
 11 the merchandise available for rental-purchase is not displayed
 12 at the merchant's place of business but appears in a photograph
 13 or catalog shown to consumers, a tag or sticker of the form
 14 shall be affixed to the photograph shown to consumers or shall
 15 be given to consumers at the time of the showing. This
 16 subsection does not apply to photographic depictions of
 17 merchandise in advertisements complying with the provisions of
 18 Section 3 of this Act.

19 (Source: P.A. 87-256; 88-644, eff. 9-9-94.)

20 (815 ILCS 655/2.1 new)

21 Sec. 2.1. Early purchase option.

22 (a) The consumer has the right to acquire ownership of the
 23 merchandise at any time by tendering to the merchant all past
 24 due payments and fees and an amount equal to the cash price

1 stated in the rental-purchase agreement multiplied by a
2 fraction that has as its numerator the number of periodic
3 payments remaining under the agreement and that has as its
4 denominator the total number of periodic payments. A consumer
5 must affirmatively elect to exercise an early purchase option.
6 In no event shall the consumer's early purchase option be less
7 than the amount of one periodic payment.

8 (b) In a clear and conspicuous manner on the consumer's
9 receipt for every periodic payment, which the merchant shall
10 deliver to the consumer within a reasonable time after payment,
11 the merchant shall provide the consumer with a written
12 statement of:

13 (1) The total amount the consumer would have to pay
14 to acquire ownership of the rental merchandise if the
15 consumer makes all regularly scheduled payments remaining
16 under the rental-purchase agreement; and

17 (2) The total amount the consumer would have to pay to
18 acquire ownership of that merchandise pursuant to this
19 Section.

20 (815 ILCS 655/2.2 new)

21 Sec. 2.2. Interruption or reduction of income in certain
22 instances.

23 (a) If any consumer who has signed a rental-purchase
24 agreement experiences an interruption or reduction of 25% or
25 more of income due to involuntary job loss, involuntary reduced

1 employment, illness, pregnancy, or disability after one-half
2 or more of the total amount of the rental payments necessary to
3 acquire ownership under the agreement have been paid, and such
4 consumer provides to the merchant some evidence of the amount
5 and cause of the interruption or reduction of income, the
6 merchant shall reduce the amount of each rental payment by: (1)
7 the percentage of the reduction in the consumer's income or (2)
8 50%, whichever is less, for the period during which the
9 consumer's income is interrupted or reduced.

10 (b) If payments are reduced, the total dollar amount of
11 payments necessary to acquire ownership shall not be increased,
12 provided, however, that the number of payments necessary to
13 acquire ownership may be increased accordingly and the rights
14 and duties of the merchant and the consumer shall not otherwise
15 be affected.

16 (c) When the consumer's income is restored, the merchant
17 may increase the amount of rental payments, but in no event
18 shall rental payments exceed the originally disclosed amount of
19 rental payments as provided in the rental-purchase agreement.

20 (815 ILCS 655/2.3 new)

21 Sec. 2.3. Maintenance of merchandise.

22 (a) The merchant shall maintain the property subject to the
23 rental-purchase agreement in good working order while the
24 agreement is in effect without charging any fee to the consumer
25 in addition to the regularly scheduled rental payments set

1 forth in the rental-purchase agreement.

2 (b) By the end of the second business day following the day
3 on which the merchant received notice from the consumer that
4 the property is not operating properly, the merchant shall
5 repair or replace the property without any fee to the consumer
6 in addition to the regularly scheduled rental payments set
7 forth in the rental-purchase agreement.

8 (c) If a repair or replacement cannot be immediately
9 effected, the merchant shall temporarily substitute property
10 of comparable quality and condition while repairs are being
11 effected. If repairs cannot be completed to the reasonable
12 satisfaction of the consumer within 30 days after the merchant
13 receives notice from the consumer or within a longer period
14 voluntarily agreed to by the consumer, the merchant shall
15 permanently replace the property.

16 (d) All replacement property shall be the same brand, if
17 available, and comparable in quality, age, condition, and
18 warranty coverage to the replaced property. If the same brand
19 is not available, the brand of the replacement property shall
20 be agreeable to the consumer, provided, however, that any
21 request by the consumer shall not be unreasonable.

22 (e) All of the consumer's and merchant's rights and
23 obligations under the rental-purchase agreement that applied
24 to the property originally subject to the rental-purchase
25 agreement shall apply to any replacement property.

26 (f) The consumer shall not be charged, or held liable for,

1 any pro rata portion of a periodic payment for any period of
2 time greater than one full day and each full day thereafter
3 during which the property that is the subject of the
4 rental-purchase agreement or any property substituted for it
5 pursuant to this Section is not in good working order.

6 (g) This Section shall not apply to repairs or damage for
7 which the consumer is liable under the rental-purchase
8 agreement.

9 (h) A merchant shall not deliver to a consumer any property
10 which the merchant knows or has reason to know is defective.

11 (i) In the case of damage to the merchandise other than
12 normal wear and tear, the consumer shall be liable for the
13 lesser of the price the consumer would have paid to exercise an
14 early purchase option pursuant to Section 2.1 of this Act or
15 the cost of the repair as determined by the merchant.

16 (815 ILCS 655/2.4 new)

17 Sec. 2.4. Availability, enforcement, and cancellation.

18 (a) Every rental-purchase agreement shall indicate that a
19 consumer at his or her request shall be permitted to review a
20 rental-purchase agreement for up to 48 hours prior to signing.

21 (b) A copy of the signed rental-purchase agreement and all
22 other documents which the merchant requests the consumer to
23 sign shall be given to the consumer at the time they are
24 signed. The rental-purchase agreement shall not be enforceable
25 against the consumer until the consumer has received a signed

1 copy.

2 (c) In addition to any other right of cancellation, a
3 consumer has the right to cancel a rental-purchase agreement,
4 without penalty or obligation, if the consumer has not taken
5 possession of the merchandise.

6 (815 ILCS 655/2.5 new)

7 Sec. 2.5. Mandatory arbitration.

8 (a) Subject to federal law and regulation, no
9 rental-purchase agreement shall contain a mandatory
10 arbitration clause. Nothing herein shall be construed to
11 prohibit a merchant from incorporating a provision within a
12 rental-purchase agreement that the decision of the arbitrator
13 or panel of arbitrators shall be final in its application to
14 the parties and not subject to court review.

15 (b) The provisions of a mandatory arbitration clause within
16 a rental-purchase agreement shall be null and void but shall
17 not constitute a violation of this Act. The inclusion of a
18 mandatory arbitration clause shall not serve to impair the
19 enforceability of any other provision of the rental-purchase
20 agreement.

21 (815 ILCS 655/2.6 new)

22 Sec. 2.6. Maximum cash price and total of payments.

23 (a) A merchant shall maintain records that establish the
24 merchant's cost for each item of merchandise that is the

1 subject of a rental-purchase agreement. A merchant shall
2 maintain a copy of each rental-purchase agreement and of the
3 records required by this Section for at least 2 years following
4 the termination of the agreement.

5 (b) The maximum cash price for the merchant's first rental
6 of the merchandise that is the subject of the rental-purchase
7 agreement may not exceed 1.75 times the merchant's cost for
8 appliances, 1.75 times the merchant's cost for electronic sets
9 having a merchant's cost of less than \$150, 2.0 times the
10 merchant's cost for electronic sets having a merchant's cost
11 greater than or equal to \$150, 2.15 times the merchant's cost
12 for furniture, 2.0 times the merchant's cost for automotive
13 accessories, jewelry, and musical instruments, and 1.75 times
14 the merchant's cost for all other items.

15 (c) The maximum cash price for merchandise on its second or
16 subsequent rental may not exceed the maximum total of payments
17 for that merchandise as permitted under this Section using the
18 terming matrix, divided by 2.25.

19 (d) The maximum total of payments may not exceed 2.25 times
20 the maximum cash price that could have been charged for the
21 first rental of the merchandise as prescribed by this Act.

22 (e) The maximum total of payments for the merchant's second
23 or subsequent rental of the merchandise that is the subject of
24 a rental-purchase agreement may not exceed the maximum total of
25 payments permitted under the terming matrix contained in this
26 Section.

1 (f) The following terming matrix shall be used to lower the
 2 number of periodic payments, which shall result in a lower
 3 total of payments and a lower maximum cash price for used
 4 merchandise based on its age and condition. The merchant may
 5 choose to maintain the number of periodic payments for used
 6 merchandise as if it were new in lieu of reducing the number of
 7 payments, provided that the merchant lowers the total of
 8 payments and maximum cash price on a pro-rata basis using the
 9 terming matrix as guidance. The merchant shall keep in
 10 electronic or hard copy form, the matrix used, together with a
 11 record of the number of periodic payments provided in the first
 12 agreement when the merchandise was offered as new, as well as a
 13 record of the item's condition as determined by the merchant
 14 pursuant to the matrix each time it is priced as used. No
 15 merchant shall price used goods in excess of the prices
 16 dictated by the matrix.

17 Terming Matrix for Used Merchandise

18

19	<u>Original term</u>	<u>34 weeks or</u>	<u>35-38 weeks</u>	<u>39-90 weeks</u>	<u>91 weeks or</u>
20	<u>in weeks when</u>	<u>less</u>			<u>more</u>
21	<u>new</u>				

1

2

<u>Excellent</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>
<u>Condition</u>	<u>minimum of 1</u>	<u>minimum of 2</u>	<u>minimum of 3</u>	<u>minimum of 4</u>
	<u>week from</u>	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>
	<u>original term</u>	<u>original term</u>	<u>original term</u>	<u>original term</u>

5

6

<u>Good</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>
<u>Condition</u>	<u>minimum of 3</u>	<u>minimum of 5</u>	<u>minimum of 7</u>	<u>minimum of 9</u>
	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>
	<u>original term</u>	<u>original term</u>	<u>original term</u>	<u>original term</u>

9

10

<u>Fair</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>
<u>Condition</u>	<u>minimum of 4</u>	<u>minimum of 7</u>	<u>minimum of 10</u>	<u>minimum of 13</u>
	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>
	<u>original term</u>	<u>original term</u>	<u>original term</u>	<u>original term</u>

13

14

<u>Poor</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>	<u>Subtract a</u>
<u>Condition</u>	<u>minimum of 6</u>	<u>minimum of 10</u>	<u>minimum of 15</u>	<u>minimum of 20</u>
	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>	<u>weeks from</u>
	<u>original term</u>	<u>original term</u>	<u>original term</u>	<u>original term</u>
	<u>or cash sale</u>	<u>or cash sale</u>	<u>or cash sale</u>	<u>or cash sale</u>

18

(g) Immediately below the terming matrix the following language shall be printed in 10 point type:

19

20

New = Full term.

21

Excellent = In great shape. Refurbished to look like

1 new.

2 Good = In good working order. Refurbished, but
3 imperfections still exist.

4 Fair = Completely operational, but refurbishment has
5 not concealed obvious wear and tear.

6 Poor = Ripped, faded, cracked, or broken and
7 refurbishment did not improve the condition.

8 (h) The Attorney General shall make available in printed
9 form in at least 10 point type to merchants and publish on an
10 appropriate website the terming matrix in chart form to be used
11 by merchants as required by this Section.

12 (i) Upon written request of the Attorney General, a
13 merchant shall provide copies of the records described in this
14 Section.

15 (j) If a merchant intentionally discloses a cash price or a
16 total of payments that exceeds the amount permitted by this
17 Section, the rental-purchase agreement is void, the consumer
18 shall retain the merchandise without any obligation, and the
19 merchant shall refund to the consumer all amounts paid.

20 (815 ILCS 655/3) (from Ch. 121 1/2, par. 1803)

21 Sec. 3. Advertisement.

22 (a) An advertisement for a rental-purchase agreement that
23 refers to or states the amount of a payment or the right to
24 acquire ownership of any one particular item under the
25 agreement must clearly and conspicuously state:

1 (1) that the transaction advertised is a
2 rental-purchase agreement;

3 (2) the total amount and number of payments necessary
4 to acquire ownership; ~~and~~

5 (3) that the consumer does not acquire ownership rights
6 unless the merchandise is rented for a specified number of
7 payment periods; and -

8 (4) whether the advertised terms are for new or used
9 merchandise.

10 (b) Every item of property displayed or offered for
11 rental-purchase by a merchant shall have attached to its front
12 or displayed as prominently as if attached to its front a tag
13 disclosing whether the merchandise is new or used, in addition
14 to any other tag or sticker required by this Act ~~the amount to~~
15 ~~be paid to acquire ownership of the merchandise.~~

16 (Source: P.A. 88-644, eff. 9-9-94.)

17 (815 ILCS 655/4) (from Ch. 121 1/2, par. 1804)

18 Sec. 4. Enforcement. (a) A consumer damaged by a violation
19 of this Act by a merchant is entitled to recover from the
20 merchant:

21 (1) actual damages;

22 (2) 25% of an amount equal to the total amount of payments
23 required to obtain ownership of the merchandise involved,
24 except that the amount recovered under this item (2) may not be
25 less than \$250 nor more than \$1,000; and

1 (3) reasonable attorney's fees and court costs.

2 (b) A merchant is not liable under this Section for a
3 violation of this Act caused by the merchant's error if before
4 the 31st day after the date the merchant discovers the error,
5 and before an action under this Section is filed or written
6 notice of the error is received by the merchant from the
7 consumer, the merchant gives the consumer written notice of the
8 error and makes adjustments in the consumer's account as
9 necessary to assure that the consumer will not be required to
10 pay an amount in excess of the amount disclosed and that the
11 agreement otherwise complies with this Act.

12 (c) Nothing in this Act shall be construed to nullify or
13 impair any right or rights which a consumer may have against a
14 merchant at common law, by statute, or otherwise.

15 (d) A merchant or assignee may not be held liable in an
16 action brought under this Act for a violation of this Act that
17 was unintentional and resulted from a bona fide or clerical
18 error notwithstanding the maintenance of procedures reasonably
19 adopted to avoid any such error.

20 (e) An action shall not be brought under this Section more
21 than 4 years after the occurrence of the act, method, or
22 practice which is the subject of the action or more than one
23 year after the last payment in a transaction involving the
24 method, act, or practice which is the subject of the action,
25 whichever is later.

26 (Source: P.A. 85-957.)

1 (815 ILCS 655/4.1 new)

2 Sec. 4.1. Enforcement by Attorney General. All remedies,
3 penalties, and authority granted to the Attorney General by the
4 Consumer Fraud and Deceptive Business Practices Act shall be
5 available to the Attorney General for the enforcement of this
6 Act. A violation of this Act shall constitute an unlawful
7 practice as provided in the Consumer Fraud and Deceptive
8 Business Practices Act.

9 (815 ILCS 655/5) (from Ch. 121 1/2, par. 1805)

10 Sec. 5. Penalty. Any person intentionally violating this
11 Act shall be guilty of a petty offense and fined not more than
12 \$500, in addition to any other penalty imposed by this Act.

13 (Source: P.A. 85-957.)

14 Section 10. The Consumer Fraud and Deceptive Business
15 Practices Act is amended by changing Section 2Z as follows:

16 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

17 Sec. 2Z. Violations of other Acts. Any person who knowingly
18 violates the Automotive Repair Act, the Automotive Collision
19 Repair Act, the Home Repair and Remodeling Act, the Dance
20 Studio Act, the Physical Fitness Services Act, the Hearing
21 Instrument Consumer Protection Act, the Illinois Union Label
22 Act, the Job Referral and Job Listing Services Consumer

1 Protection Act, the Travel Promotion Consumer Protection Act,
2 the Credit Services Organizations Act, the Automatic Telephone
3 Dialers Act, the Pay-Per-Call Services Consumer Protection
4 Act, the Telephone Solicitations Act, the Illinois Funeral or
5 Burial Funds Act, the Cemetery Oversight Act, the Cemetery Care
6 Act, the Safe and Hygienic Bed Act, the Pre-Need Cemetery Sales
7 Act, the High Risk Home Loan Act, the Payday Loan Reform Act,
8 the Mortgage Rescue Fraud Act, subsection (a) or (b) of Section
9 3-10 of the Cigarette Tax Act, subsection (a) or (b) of Section
10 3-10 of the Cigarette Use Tax Act, the Electronic Mail Act, the
11 Internet Caller Identification Act, paragraph (6) of
12 subsection (k) of Section 6-305 of the Illinois Vehicle Code,
13 Section 11-1431, 18d-115, 18d-120, 18d-125, 18d-135, 18d-150,
14 or 18d-153 of the Illinois Vehicle Code, Article 3 of the
15 Residential Real Property Disclosure Act, the Automatic
16 Contract Renewal Act, the Rental-Purchase Agreement Act, or the
17 Personal Information Protection Act commits an unlawful
18 practice within the meaning of this Act.

19 (Source: P.A. 95-413, eff. 1-1-08; 95-562, eff. 7-1-08; 95-876,
20 eff. 8-21-08; 96-863, eff. 1-19-10; 96-1369, eff. 1-1-11;
21 96-1376, eff. 7-29-10; revised 9-2-10.)

1		INDEX
2		Statutes amended in order of appearance
3	815 ILCS 655/1	from Ch. 121 1/2, par. 1801
4	815 ILCS 655/2	from Ch. 121 1/2, par. 1802
5	815 ILCS 655/2.1 new	
6	815 ILCS 655/2.2 new	
7	815 ILCS 655/2.3 new	
8	815 ILCS 655/2.4 new	
9	815 ILCS 655/2.5 new	
10	815 ILCS 655/2.6 new	
11	815 ILCS 655/3	from Ch. 121 1/2, par. 1803
12	815 ILCS 655/4	from Ch. 121 1/2, par. 1804
13	815 ILCS 655/4.1 new	
14	815 ILCS 655/5	from Ch. 121 1/2, par. 1805
15	815 ILCS 505/2Z	from Ch. 121 1/2, par. 262Z