

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.

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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

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## 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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