

MISSOURI

Rental-Purchase Agreement Law

Missouri Revised Statutes, 1986, as amended.

As added by Laws 1988, H.B. 988, approved June 8, 1988, effective August 13, 1988

Sec. 407.660.

Sections 407.660 to 407.665 shall be known and may be cited as the "Rental-Purchase Agreement Law."

Sec. 407.661.

As used in sections 407.660 to 407.665 the following terms shall mean:

- (1) "Advertisement," the attempt by publication, dissemination, solicitation, circulation, or any other means to induce, directly or indirectly, any person to enter into any obligation or acquire any title or interest in any merchandise, or any commercial message in any medium that directly promotes or assists a rental-purchase agreement;
- (2) "Cash price," the price for which the merchant would have sold the merchandise to the consumer for cash on the date of the rental-purchase agreement;
- (3) "Consumer," an individual who leases personal property under a rental-purchase agreement;
- (4) "Merchandise," the personal property that is not the subject of a rental-purchase agreement;
- (5) "Merchant," a person who, in the ordinary course of business, regularly leases, offers to lease, or arranges for the leasing of merchandise under a rental-purchase agreement;
- (6) "Rental-purchase agreement," an agreement between the merchant and a consumer for the use of merchandise by the consumer for personal, family, or household purposes, for an initial period of four months or less that is automatically renewable with each payment after the initial period, and that permits the consumer to become the owner of the merchandise. A rental-purchase agreement shall not be construed to be nor be governed by any of the following:
 - (a) A lease or agreement which constitutes a credit sale as defined in 12 C.F.R.

226.2(a)(16) and section 1602(g) of the Truth-in-Lending Act, 15 U.S.C. 1601 et seq.;

- (b) A lease which constitutes a consumer lease as defined in 12 C.F.R. 213.2(a)(6);
 - (c) Any lease for agricultural, business, or commercial purposes;
 - (d) Any lease made to an organization;
 - (e) A lease or agreement which constitutes a retail time contract or retail time transaction as defined in subdivisions (14) and (15) of section 408.250, RSMo;
 - (f) A security interest as defined in subdivision (37) of section 400.1-201, RSMo; or
- (7) "Period," a day, week, month, or other subdivision of a year.

Sec. 407.662.

- 1 A rental-purchase agreement shall be in the form of a written statement and shall constitute the entire agreement between the merchant and consumer. All amounts shall be stated in numerical figures.
2. A rental-purchase agreement may not contain a provision:
 - (1) Requiring a confession of judgment;
 - (2) Authorizing a merchant or an agent of the merchant to commit a breach of the peace in the repossession of merchandise;
 - (3) Waiving a defense, counterclaim, or right the consumer may have against the merchant or an agent of the merchant;
 - (4) Requiring the purchase of insurance from the merchant to cover the merchandise;
 - (5) Requiring the payment of a late charge greater than five dollars for each payment in default;
 - (6) Requiring a payment at the end of the scheduled rental-purchase term in excess of, or in addition to, a regular periodic payment in order to acquire ownership of the merchandise; or
 - (7) Requiring the consumer to pay rental payments greater than the total amount

to be paid to acquire ownership.

3. A rental-purchase agreement must disclose in 10-point boldface type:
 - (1) Whether the merchandise is new or used;
 - (2) The cash price of the merchandise;
 - (3) The total amount and number of payments necessary to acquire ownership of the merchandise;
 - (4) The amount and timing of payments;
 - (5) That the consumer does not acquire ownership rights in the merchandise until all payments have been made under the ownership terms of the agreement;
 - (6) The amount and purpose of any payment, charge, or fee in addition to regular periodic payments;
 - (6) The amount and purpose of any payment, charge, or fee in addition to regular periodic payments;
 - (8) Whether the consumer is liable for loss or damage to the merchandise, provided that the consumer's liability for loss or damage to the merchandise shall be no greater than the disclosed cash price plus any costs allowed by law;
 - (9) A statement of the conditions under which the lessee may terminate the lease;
 - (10) A statement of whether any part of a manufacturer's warranty continues to cover the rental property at the time the consumer assumes ownership of the property;
 - (11) Notice of the right to reinstate an agreement; and
 - (12) A statement of the reinstatement rights provided for in section 407.664.

Sec. 407.663.

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

- (1) That the transaction advertised is a rental-purchase agreement;
- (2) The total amount and number of payments necessary to acquire ownership of the merchandise; and
- (3) That the consumer does not acquire ownership rights in the merchandise until all payments have been made under the terms of the agreement.

Sec. 407.664.

- (1) A consumer who fails to make timely rental payments has the right to reinstate the original rental-purchase agreement without losing any rights or options previously acquired under the rental-purchase agreement within three rental terms after the expiration of the last rental term for which the consumer made a timely payment if the consumer surrenders the rental property to the merchant when the merchant or its agent requests him to surrender the rental property.
- (2) Before reinstating a rental-purchase agreement, a merchant may require a consumer to pay any unpaid rental payments, delinquency charges, a reasonable reinstatement fee of not more than five dollars, and a delivery charge if redelivery of the rental property is necessary.
- (3) If reinstatement occurs pursuant to this section, the merchant shall provide the consumer with either the same property leased by the consumer prior to reinstatement or substitute property that is of comparable quality and condition.

Sec. 407.665.

1. A violation of any provision or requirement of sections 407.660 to 407.664 shall be deemed a violation of section 407.020 and any person violating such provisions shall be subject to all penalties, remedies and procedures provided in sections 407.010 to 407.145. The attorney general shall have all powers, rights and duties regarding violations of sections 407.660 to 407.665 as are provided in sections 407.010 to 407.145.
2. Notwithstanding subsection 1 of this section, any failure to comply with any provision or requirement of sections 407.660 to 407.665 may be corrected within ten days after the date of execution of the rental-purchase agreement by the merchant, and, if so corrected, neither the merchant or any holder of the executed rental-purchase agreement is subjected to any penalty under the provisions of chapter 407.
3. The provisions of sections 407.660 to 407.665 are not exclusive and do not relieve the parties or the contracts subject thereto from compliance with other applicable provisions of law nor shall such provisions bar any civil claim against any person

who has acquired any moneys or property, real or personal, by means of any practice declared unlawful by any provision of sections 407.660 to 407.665.

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