

CHAPTER 19  
CONSUMER RENTAL PURCHASE AGREEMENTS FORMS

**61—19.1(537) Agreement forms.** Pursuant to Iowa Code section 537.6117 and 1987 Iowa Acts, House File 585, sections 5 and 6, the administrator of the consumer credit code finds that consumer rental purchase agreements must be substantially in the form of the model agreement contained in this rule.

The “Rental Purchase Disclosures” numbered 1 to 5 and the “Notice to Lessee” must appear on the face of the agreement. The heading or caption of each of the disclosures numbered 1, 4 and 5 must be in at least uppercase 10-point type. The headings for disclosures 2 and 3 (Cash Price and Total of Scheduled Payments) must be 10-point uppercase bold-faced type. All other material must be in at least 8-point type except for the “Notice to Lessee” which must be in at least 10-point uppercase bold-faced type.

Additional terms of the consumer rental purchase agreement should be printed on a separate page; however, printing the additional terms of agreement on a separate page may be satisfied by printing these terms on the rear of a one-page agreement. Any agreement which is printed on a single one-sided page must not alter any of the order, sequence, placement, initialing or type size requirements of this rule or of the Act.

All additional charges listed under “Terms of The Agreement” are made at the lessor’s option, therefore, they must be included in the agreement only to the extent they are applicable. Only those additional charges actually disclosed in the agreement may be assessed. Lessors may determine the actual amounts to be disclosed and assessed for applicable additional charges so long as the statutory maximums for each charge are not exceeded. In addition, certain charges, one of which is in lieu of the other, shall not both be assessed; (a) if a late payment fee is assessed for a particular late payment, a “payment pickup charge” may not also be assessed for that payment, and (b) if an administrative fee is assessed on the agreement, a delivery fee may not also be assessed on the agreement. A lessor’s form may include additional “Terms of Agreement” not included in the model form, provided that all such terms comply with the consumer rental purchase agreement Act and any other applicable state or federal laws, and provided that they do not detract from or contradict the required disclosures and terms of the agreement. All terms must be written in clear, plain language. All items appearing under “Terms of Agreement” must be in at least 8-point type with the title of each term appearing in bold-faced uppercase 10-point type.

Lessors using the following model form shall be deemed to be in compliance with Iowa Code sections 537.3605 and 537.3606.

[IOWA CONSUMER CREDIT CODE-MODEL FORM]

IOWA CONSUMER RENTAL-PURCHASE AGREEMENT--Date: \_\_\_\_\_ Agreement No. \_\_\_\_\_

Name of Lessee(s) \_\_\_\_\_ Name of Lessor \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

RENTAL PURCHASE DISCLOSURES

The following disclosures are required by the Iowa Rental-Purchase Act to help you understand the terms of your rental purchase agreement.

1. DESCRIPTION OF LEASED PROPERTY

ITEM	QTY	MODEL #	SERIAL #	YEAR	NEW	USED
						(Check one)

2. CASH PRICE.....Lessee Initial  \$ \_\_\_\_\_

This is the price at which we would sell the leased property listed above to a buyer on the date of this agreement.

3. TOTAL OF SCHEDULED PAYMENTS..... \$ \_\_\_\_\_

Lessee Initial

The total of scheduled payments means the total dollar amount of lease payments you will have to make to own the property. This total does NOT include ADDITIONAL CHARGES which might be made during the agreement such as: LATE PAYMENT CHARGES, REINSTATEMENT FEES, OPTIONAL PAYMENT PICKUP CHARGES. See the remainder of the contract for an explanation of these charges.

If you rent monthly, you will make \_\_\_\_\_ monthly payments of...\$ \_\_\_\_\_ per month  
If you rent weekly, you will make \_\_\_\_\_ weekly payments of.....\$ \_\_\_\_\_ per week  
Payments will begin on the \_\_\_\_\_ of \_\_\_\_\_, 19\_\_ and each renewal will be due on the \_\_\_\_\_ of each \_\_\_\_\_.

4. INITIAL PAYMENTS

- A. Administrative fee [if applicable].....\$ \_\_\_\_\_
- B. Delivery charge [if applicable].....\$ \_\_\_\_\_
- C. Security Deposit [if applicable].....\$ \_\_\_\_\_

Deposit will be returned under these conditions:

D. Taxes or Official Fees (Itemize).....\$ \_\_\_\_\_

5. OWNERSHIP AND LIABILITY FOR DAMAGE OR LOSS: You will not own the property until you have made all of the payments above (unless you choose to "buy-out" early as explained below). If the property is lost, stolen, damaged or destroyed, you will be responsible for the fair market value of the property at the time of the loss or damage.

NOTICE TO LESSEE - READ BEFORE SIGNING:

1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ THE ENTIRE AGREEMENT INCLUDING ANY WRITING ON THE REVERSE SIDE OR ON ADDITIONAL PAGES, EVEN IF OTHERWISE ADVISED.

2. DO NOT SIGN THIS IF IT HAS ANY BLANK SPACES.

3. YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

4. ANYTIME AFTER YOU HAVE MADE YOUR FIRST WEEKLY/MONTHLY PAYMENT YOU HAVE THE RIGHT TO EXERCISE AN "EARLY BUY-OUT" OPTION AS PROVIDED IN THIS AGREEMENT. IF YOU CHOOSE THE EARLY BUY-OUT THIS OPTION MAY RESULT IN A REDUCTION OF YOUR TOTAL COST TO ACQUIRE OWNERSHIP. IF YOU BUY-OUT EARLY YOU WILL PAY: ("TOTAL OF SCHEDULED PAYMENTS") minus (AMOUNT YOU HAVE PAID ALREADY) multiplied by \_\_\_\_\_% [creditors insert their own formula which must use a multiplier of 55% or less] (equals) = Early buy out option price.

5. IF YOU CHOOSE TO MAKE WEEKLY RATHER THAN MONTHLY PAYMENTS AND YOU USE YOUR EARLY BUY-OUT OPTION, YOU MAY PAY MORE FOR THE LEASED PROPERTY.

Lessee:(Sign) \_\_\_\_\_ Lessor:(Sign) \_\_\_\_\_

Lessee:(Sign) \_\_\_\_\_ Date: \_\_\_\_\_

\*[Bracketed material is explanatory and is not printed on lessor's agreement.]

TERMS OF AGREEMENT

1. ADDITIONAL CHARGES: [Charges referred to below are maximums. Lessors may insert a different amount if it is less than the maximums. Lessors need to print only those charges and terms which apply to their agreement.]

LATE PAYMENT CHARGES: A [up to \$5.00] charge for monthly payments not made within five (5) business days of the date payment is due, or [up to \$3.00] charge for weekly payments not made within three (3) business days of the date when payment is due. This charge may only be made when no “payment pick-up charge” has been made.

REINSTATEMENT FEES: A [up to \$5.00] fee for the right to reinstate the agreement after failing to make a timely rental payment and if the conditions governing reinstatement are met.

DELIVERY FEES: A \$10.00 fee for up to five (5) items and \$25.00 for delivery of more than five (5) items.

ADMINISTRATIVE FEES: An initial fee of [up to \$10.00] to cover administrative costs of the Agreement. [But ONLY if there is no delivery charge.]

OPTIONAL IN HOME PICK UP OF RENTAL PAYMENTS: For a charge of [\$7.00 maximum] per payment, we can pick up the payment at your home. In no event will this charge be assessed in excess of three (3) times in any three (3) month period if the agreement is weekly or three (3) times in any six (6) month period if the agreement is monthly.

OPTIONAL PROPERTY INSURANCE: You do not have to carry insurance on the property. If you want property insurance to cover the property you may buy it from us or from someone else.

2. YOUR REINSTATEMENT RIGHT: If you fail to make a renewal rental payment you may have the right to reinstate this agreement by paying all rental payments past due, all applicable late charges, reinstatement fees and redelivery fees provided: 1) You voluntarily returned the property to us, if requested and 2) Not more than sixty (60) days have passed since you have returned the property.

3. YOUR TERMINATION RIGHT: You may terminate this agreement at any time without paying any charges other than those previously due. The property must be returned in its present condition, fair wear and tear excepted.

4. OUR TERMINATION RIGHT: We may terminate this agreement for a default in payment or breach of any other material term of this Agreement. If termination occurs we shall be entitled to all rental payments and other charges due up to the date of termination as well as the reasonable expenses of repossession of the property if you fail to surrender the property to us.

5. WARRANTY: [if applicable]

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