

Agreed To?	YES	No	Wdm
Voice Vte	Yeas	Nays	

Amendment Offered by Mr. LaFalce

To the Amendment in the Nature of a Substitute Offered by Mr. Jones of North Carolina or Mr. Maloney of Connecticut

Page 3, strike line 22 and all that follows through page 4, line 3, and insert the following new paragraph:

- 1 “(4) CASH PRICE.—
- 2 “(A) IN GENERAL.—The term ‘cash price’
- 3 means the price at which a merchant, in the or-
- 4 dinary course of business, would offer to sell for
- 5 cash the property that is the subject of the
- 6 rental-purchase agreement, as determined by
- 7 the Board pursuant to this paragraph.
- 8 “(B) DETERMINATION OF CASH PRICE.—
- 9 The Board shall determine in regulation the
- 10 formula or criteria for calculating the cash price
- 11 of a product that is the subject of the rental-
- 12 purchase agreement, which shall approximate
- 13 the equivalent fair market value of the product
- 14 if offered under a cash or credit sale, as ad-
- 15 justed to reflect additional charges or services,
- 16 if any, that the Board determines are appro-



1 priate for purposes of rental-purchase trans-
2 actions.

3 “(C) MINIMUM CASH PRICE.—Notwith-
4 standing subparagraph (B), the cash price de-
5 termined by the Board pursuant to subpara-
6 graph (B) shall not be less than an amount
7 equal to twice the documented actual acquisi-
8 tion cost of the property to the merchant, which
9 shall include the cost of shipment, refurbishing
10 or other charges, as determined by the Board;
11 except that, a merchant shall not be not pre-
12 cluded from selling a product for cash for an
13 amount that is less than the cash price deter-
14 mined under this paragraph.

15 “(D) ADJUSTMENT FOR USED PROP-
16 ERTY.—The cash price of used or previously
17 rented property that is the subject of the rent-
18 al-purchase agreement shall be determined by
19 adjustment of the cash price determined under
20 this paragraph according to such formula or
21 criteria as the Board shall prescribe by regula-
22 tion.

23 “(E) PERIODIC ADJUSTMENT REQUIRED.—
24 The Board shall, by regulation, periodically re-
25 view and revise, as necessary, the formula or



1 criteria for determining cash price under this
2 paragraph in response to changes in merchant
3 costs, market conditions, or other factors deter-
4 mined by the Board.

Page 15, beginning on line 24, strike "either by pay-
ment of the total cost" and all that follows through page
16, line 2, and insert "in accordance with section 1006;"

Page 17, beginning on line 2, strike " or any early
payment option provided in the rental purchase agree-
ment,".

Page 17, strike line 6 and all that follows through
line 11 and insert the following new subsection:

5 "(b) TRANSFER OF OWNERSHIP.—

6 "(1) SCHEDULED PAYMENTS.—The consumer
7 shall acquire ownership of the rental property upon
8 payment of periodic payments totaling more than an
9 amount, 50 percent of which equals the cash price
10 of the rental property.

11 "(2) EARLY PAYMENT OPTION.—The consumer
12 shall acquire ownership of the rental property, at
13 any time after the initial payment, upon payment by
14 the consumer of an amount equal to the amount by
15 which the cash price of the leased property exceeds

- 1 50 percent of all previous payments under the rent-
- 2 al-purchase agreement.

Page 17, beginning on line 17, strike “, or any early purchase option amount provided in the rental-purchase agreement, as applicable”.

Page 17, line 23, strike “RIGHTS” and insert “DOCUMENTS”.

Page 17, beginning on line 25, strike “ or any early purchase option amount provided in the rental-purchase agreement, as appropriate”.