

IC 24-7-3

Chapter 3. Disclosures; Form of Rental Purchase Agreement

IC 24-7-3-1

Written agreement

Sec. 1. The lessor shall reduce a rental purchase agreement to writing.

As added by P.L.254-1987, SEC.1.

IC 24-7-3-2

Alternate disclosure requirements

Sec. 2. A lessor shall disclose to a lessee the information required under section 3 of this chapter. However, if the Federal Consumer Credit Protection Act is amended to govern lease-purchase disclosures, the lessor may disclose the information required under the Federal Consumer Credit Protection Act instead of the disclosures required under this chapter.

As added by P.L.254-1987, SEC.1.

IC 24-7-3-3

Disclosures required

Sec. 3. The lessor shall disclose the following:

- (1) A brief description of the property sufficient to identify the property to the lessee and lessor.
- (2) The total number, total amount, and timing of all rental payments, including taxes paid to or through the lessor, necessary to acquire ownership of the property.
- (3) A statement that the lessee will not own the property until the lessee has:
 - (A) made the number of rental payments and the total of rental payments necessary to acquire ownership of the property; or
 - (B) exercised an early purchase option.
- (4) A statement that charges in addition to the total rental payments necessary to acquire ownership of the leased property may be imposed under the agreement and that the lessee should read the contract for an explanation of these charges.
- (5) A brief explanation of all additional charges that may be imposed under the agreement. If a security deposit is required, the explanation must include an explanation of the conditions under which the deposit will be returned to the lessee.
- (6) A statement indicating who is responsible for property if it is lost, stolen, damaged, or destroyed.
- (7) A statement indicating that the value of lost, stolen, damaged, or destroyed property is its fair market value on the date that it is lost, stolen, damaged, or destroyed.
- (8) A statement indicating whether the property is new or used. However, property that is new may be described as used.

(9) A statement that the lessee has an early purchase option to purchase the property at any time during the period that the rental purchase agreement is in effect. The statement must specify the price or the formula or other method for determining the price at which the property may be purchased.

(10) A brief explanation of the lessee's right to reinstate a rental purchase agreement and a description of the amount, or method of determining the amount, of any penalty or other charge applicable under IC 24-7-5 to the reinstatement of a rental purchase agreement.

As added by P.L.254-1987, SEC.1.

IC 24-7-3-4

Form of disclosures

Sec. 4. (a) The disclosures required under section 3 of this chapter shall be stated:

(1) clearly and conspicuously; and

(2) in words and phrases that have a nontechnical meaning.

(b) Except as provided in the rules adopted by the department, the disclosures required under section 3 of this chapter may be included in the rental purchase agreement or in a separate writing that references the rental purchase agreement.

(c) Except as provided in the rules adopted by the department, the disclosures required under section 3 of this chapter may be provided in a different sequence than the sequence set forth in section 3 of this chapter.

(d) Additional information or explanations supplied by the lessor may not have the effect of circumventing, evading, or unduly complicating the information required to be disclosed.

As added by P.L.254-1987, SEC.1. Amended by P.L.172-1997, SEC.10.

IC 24-7-3-5

Time of disclosure

Sec. 5. The lessor shall disclose all information required in section 3 of this chapter before the rental purchase agreement is consummated.

As added by P.L.254-1987, SEC.1.

IC 24-7-3-6

Copy of written and signed agreement to lessee

Sec. 6. Before any rental payment is due under the rental purchase agreement, the lessor shall obtain the signature of the lessee on the writing containing the terms of the rental purchase agreement and shall furnish the lessee with a copy of the written and signed rental purchase agreement. If there is more than one (1) lessee in a rental purchase agreement, delivery of a copy of the rental purchase agreement to one (1) of the lessees is sufficient to comply with this

section.

As added by P.L.254-1987, SEC.1.

IC 24-7-3-7

Size of print

Sec. 7. The terms of the rental purchase agreement shall be set forth in not less than 8 point type.

As added by P.L.254-1987, SEC.1.

IC 24-7-3-8

Rental payment receipts

Sec. 8. The lessor shall furnish the lessee, without request by the lessee, a written receipt for each rental payment made:

(1) in cash; or

(2) by another method of rental payment that does not provide evidence of the rental payment.

As added by P.L.254-1987, SEC.1.