

How to use the Form Agreement

(1) Type Size.

The entire Form Agreement must be printed or typed in at least 10-point bold type.

(2) Blanks to fill in.

The Form Agreement has several blanks which must be filled in before the customer signs it. Where a blank is surrounded by brackets, the specific term (such as “week” instead of “period”) must be filled in. All other blanks must be filled in with the appropriate numerical amounts, using figures. The blank stating the type of merchandise should describe the item and give any model number (for example, “19 inch Sony color television, model No. KV-1714”). If needed, more lines may be used for description of multiple items of merchandise.

(3) Terms.

A company may add to the Terms section in the language “for a minimum of _____ [periods],” if the company requires a minimum number of payments.

(4) Condition of Merchandise.

If there is more than one item of merchandise rented and if some of the merchandise is new and some is used, the following disclosure should be used instead of the language in the Form Agreement under Condition of Merchandise:

Some of the merchandise you are renting is new and some is used. The used merchandise is: [describe item or items] _____

The rest of the merchandise is new.

(5) Other charges.

All charges in the Other Charges section must indicate the amount of the charge, the purpose of the charge, and whether the charge is optional or required, in this format:

Delivery fee (optional) \$ _____
Application processing fee (required) \$ _____

(6) Late Charges.

In the Late Charges section, a company may allow more than 7 days grace period before a late charge is assessed. If there are no late charges, this section should read, “We will not charge you a late charge if your payment is late.”

(7) Optional sections.

Two portions of the Form Agreement are optional and must be used only to the extent they apply. These sections are:

- (a) The language in the Purchase section concerning early buyout, if there is no such option.
- (b) The Other Charges section, if there are no other charges.

(8) Ownership terms.

If the company’s ownership terms are different than as provided under the Purchase section, the company may disclose its own terms, in plain English, in lieu of the second sentence of the Purchase section.

(9) Renter’s liability for loss or damage.

If the company’s liability terms are different than as provided under this section, the company may disclose its own terms, in plain English, in lieu of the first sentence of this section. The second sentence must always be used, unless there is no liability at all.*

(10) Additional language.

Any additional contractual language desired must be added after all the language set forth above, below the line, and above the renter’s signature. Any additional language must:

- (A) Be in plain English.
- (B) Use headings as in the Form Agreement (for example: Condition of Merchandise).
- (C) Be printed on one side of the page only. It may be printed on more than one page.
- (D) Be printed in at least 10-point bold type, if it explains or relates to the disclosures contained in the Form Agreement.
- (E) Comply fully with any requirement of law. It must not conflict with or tend to cause confusion concerning the required disclosures. It must not misrepresent the rights or responsibilities of the company or renter.

* Rental purchase agreements that include loss damage waivers must be approved by the Texas Department of Licensing and Regulation before being offered for sale. For more information, go to www.tdlr.state.tx.us.