

367.977 Necessary disclosures for rental-purchase agreement.

- (1) For each rental-purchase agreement, the lessor shall disclose the following items as applicable:
 - (a) A brief description of the leased property, sufficient to identify the property to the consumer and lessor;
 - (b) The number, amount, and timing of all lease payments necessary to acquire ownership of the property;
 - (c) The maximum amount of all initial and periodic payments and other charges to acquire ownership of the property pursuant to the ownership provision of the rental-purchase agreement;
 - (d) A statement that the consumer will not own the property until the consumer has made the number of payments and the total of payments necessary to acquire ownership;
 - (e) A statement that the total of payments does not include other charges such as late payment, default, pickup, and reinstatement fees, and that the consumer should see the contract for an explanation of these charges;
 - (f) If applicable, a statement that the consumer is responsible for the fair market value of the property if it is lost, stolen, damaged, or destroyed;
 - (g) A statement indicating whether the property is new or used; however, a statement that indicates new property is used is not a violation of KRS 367.976 to 367.985;
 - (h) A statement of the cash price of the property. If the agreement involves a lease for five (5) or more items, a statement of the aggregate cash price of all items shall satisfy this requirement;
 - (i) The total of initial payments required to be paid before consummation of the agreement or delivery of the property, whichever is later;
 - (j) A statement clearly summarizing the terms of the consumer's options to purchase;
 - (k) A statement identifying the party responsible for maintaining or servicing the property while it is being leased, together with the description of that responsibility and a statement that, if any part of a manufacturer's express warranty covers the leased property at the time the consumer acquires ownership of the property, it will be transferred to the consumer, if allowed by the terms of the warranty; and
 - (l) The date of the transaction and the identities of the lessor and consumer.
- (2) With respect to matters specifically governed by the Federal Consumer Credit Protection Act, compliance with that act shall satisfy the requirements of this section.
- (3) Subsection (1) of this section shall not apply to a lessor who complies with the disclosure requirements of Section 182 of the Federal Consumer Credit Protection Act, 15 U.S.C.A. 1667a, 90 Stat. 250, with respect to a rental-purchase agreement entered into with a consumer.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 196, sec. 2, effective July 13, 1990; and ch. 304, sec. 2, effective July 13, 1990.

Legislative Research Commission Note (7/13/90). This section was created by two separate 1990 Acts which are identical and have therefore been compiled together.