

**Testimony of Vivian Saunders Before the
COMMITTEE ON FINANCIAL SERVICES
Subcommittee on Financial Institutions and Consumer Protection
Regarding H.R. 1588
July 26, 2011**

Good morning Chairwoman Capito, Ranking Member Maloney and members of the Subcommittee. Thank you for inviting me to speak this morning.

My name is Vivian Saunders and I'm a longtime and proud rent-to-own customer from Lewiston Woodville, NC.

I first used rent-to-own in 1991 when my son was a toddler. He was allergic to disposable diapers, so we had to use cloth diapers—and we had to **clean** those cloth diapers. It seemed like if I wasn't sitting at the Laundromat, I was driving to and from the Laundromat. It was time consuming and expensive. I couldn't afford my own washer and dryer and none of the local stores would give me credit.

Then a neighbor told me I could rent-to-own a washer and dryer. Before long, I was doing laundry at home, saving on gas and spending more time with my family. And I wasn't tossing change into a washing machine I would never own.

The rent-to-own folks didn't care about my credit status. They worked with me and had faith in my intention to pay. When we had trouble paying, they gave us the time we needed. No other store in my community would do that.

Over time, through rent-to-own, we made our house a home. Just as we were proud to have our own washer and dryer, we took pleasure in the nice furniture we added to our home. Our kids didn't have to feel embarrassed to bring their friends over.

Later in the 1990's we hit financial hard-times when my husband lost his job. We were able to return a microwave we were renting. That helped us get through those times by lowering our bills. Because it was a rent-to-own agreement we

could stop paying without causing negative repercussions—like a default on our credit report.

On another occasion, I rented a big screen television for a short time because a community group I was working with needed it to view videos related to our cause. When we were done, we returned it with no obligation to pay anymore. I liked the television so much though I later got one for myself.

Rent-to-own gives people a way to improve their lives even if they don't have much to start with. You see, our family lives in one the poorest counties in America – North Carolina's Bertie County. Day in and day out, I see firsthand how kids are picked on and demoralized because of their living situation. They're outcast for being poor. Having a home with nice furniture and a nice refrigerator empowers them. Rent-to-own empowers them by giving them the ability to furnish their homes with things most people take for granted. That ability makes them feel they are a part of the community. It gives them a greater sense of self-worth.

And I know something about how self-worth impacts people. I used to run an alternative school and now run an after school program for some of the poorest kids in our community. The students enrolled in this program, boys in the 6 to 12th grade, had been expelled from the public school system and few believed that investing in these boys' future would yield any positive outcomes. We brought technology, computers and a challenging curriculum to what many referred to as the discarded boys.

But the best computers and latest technology mean little, without respect for these students and the belief they can achieve great things. It is that powerful combination that is helping these students improve their educational outcomes and grow into caring young men who also want to help others in their communities.

It was not simply owning things like new furniture and a refrigerator, but the fact that I felt worthy of ownership and felt valued as a customer. What I have learned living and working in Bertie County is that the best way to get things accomplished is to be honest and respectful. If this experience has taught me anything, it's the value of dignity and self-esteem in the lives of today's kids.

I've also learned that in our practical, day-to-day lives, you need to have plenty of refrigerators and freezers on hand to prepare meals for these kids. And today I'm fortunate to be in a position to have donated some of my old refrigerators and freezers, which I acquired through rent-to-own, to the school I run.

I'm also fortunate to have been unharmed in the string of tornados which tore apart my community on April 17th. Ten families I know lost their entire homes. Others I know had to move because of the damage to their homes.

While their homes were being repaired or rebuilt, those families needed ways to manage their day-to-day lives. So they went to local rent-to-own stores and rented beds and furniture to tide them over until they could move back into their homes.

The rent-to-own stores delivered the furniture to the houses and when the families didn't need the furniture any longer, the rent-to-own stores picked it up.

There were no other stores in our community that would have done the same. The rent-to-own folks helped all of these families establish temporary homes to recover from one of the worst disasters our community has ever seen.

I am fortunate to now be able to use credit as well. Not long ago, we purchased furniture on credit from a local furniture store. But I still use rent-to-own and I'm glad it is available to me. In this uncertain economy you don't always want to take on additional credit.

Rent-to-own has helped me in so many ways for so many years as it has helped others in my community. That help goes beyond just getting nice things for my home. The pride it gave me to be able to provide for my family has played at least a small part in helping me get where I am today and be able to help others learn to succeed.

I am proud to say I am a rent-to-own customer and I hope my testimony has given you some perspective on why rent-to-own works well for so many people, including my son, whose diapers introduced me to rent-to-own 20 years ago.

We're just two of the millions of customers who've relied upon and appreciated rent-to-own over the years.

Thank you.

United States House of Representatives
Committee on Financial Services

“TRUTH IN TESTIMONY” DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name: <i>Vivian B. Saunders</i>	2. Organization or organizations you are representing: <i>APRO</i>
3. Business Address and telephone number:	
4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. If you answered “yes” to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.	
7. Signature: <i>Vivian B. Saunders</i>	

Please attach a copy of this form to your written testimony.