



Rent-A-Center Responds to Claims by Washington State Attorney General's Office

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PLANO, Texas--(BUSINESS WIRE)--Jul. 28, 2009--

In a bid to bring context and clarity to bear on the allegations in yesterday's Washington State Attorney General's press release, Rent-A-Center, Inc. (NASDAQ:RCII) offers the following responses:

Rent-A-Center (RAC) is disappointed that after more than a year of discussions with the Attorney General's office, the negotiations have suddenly turned to public accusations about disputed allegations. RAC strongly denies the allegations and believes they will prove to be unfounded.

RAC offers consumers the ability to rent household durable goods, including furniture, appliances, and electronics, on a week-to-week basis with no debt or long-term obligation. A consumer can rent a refrigerator for \$17.99 per week and end the transaction at the end of the week having spent nothing more than the initial weekly payment. Additionally, if the customer isn't completely satisfied RAC will refund that first weekly payment.

This transaction helps make life manageable for everyday American families that have immediate needs but can't or don't want to take on long-term debt obligations. While customers have the ability to exercise a purchase option, only about 25% do so. The other 75% are utilizing the transaction to fulfill a short-term need. Those that choose to end the transaction, however, can later reinstate the transaction without losing the benefit of payments already made.

Each week, the consumer chooses whether to (1) continue the agreement by making an additional weekly payment, or (2) return the rented merchandise. Understandably, RAC contacts the customer if the renewal date passes and the customer has not either renewed the agreement or returned the property. These contacts are made according to extensive collection policies, which each RAC store employee is trained to follow.

The Attorney General's office has notified RAC of 16 collection-related complaints, reported to its office over a period of more than 4 years. In all instances, the customer had failed to return the rented property after the lease expired. Of the 16 collection-related complaints, only three were reported to RAC in the last year and each of these related to past-due customers complaining about employees calling to arrange for payment or the return of the rented property. RAC takes each complaint seriously and has worked diligently to determine whether any of its policies were violated.

Despite the suggestion of numerous aggrieved customers throughout the state of Washington, RAC's findings reveal only one such collection complaint is made for every 10,000 rental returns. While a single complaint is one too many, RAC's findings reflect well on its policies, training and oversight.

RAC conducts business fully within applicable state and federal law.

The Attorney General's claims of a pattern of abusive conduct are demonstrably wrong; like any company that has millions of customer contacts every day, RAC makes mistakes, despite its commitment through internal policies and training; and when mistakes are made, RAC acknowledges them. However, the record will show that the frequency of those mistakes is undeniably low, and the Attorney General's claims are an unfortunate attempt to mischaracterize RAC, its coworkers, and its commitment to ethical business conduct.

RAC affixes a price tag to each item it makes available for lease to the public and clearly discloses all price information in its rental agreements. Each price tag and rental agreement provides a description of the item, its weekly price, the number of weekly payments required to acquire ownership, the total cost of the item if all payments are made, the cash price of the item (good for the first 90 days), whether the item is used or new, the item number, the model number and the serial number. RAC's disagreement with the Attorney General's office deals with an ambiguity in The Washington Lease-Purchase Act concerning what constitutes a "set" and what constitutes an "item."

Rent-A-Center, Inc., headquartered in Plano, Texas, currently operates approximately 3,000 company-owned stores nationwide and in Canada and Puerto Rico. The stores generally offer high-quality, durable goods such as major consumer electronics, appliances, computers and furniture and accessories under flexible rental-purchase agreements that generally allow the customer to obtain ownership of the merchandise at the conclusion of an agreed upon rental period.

Source: Rent-A-Center

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