Williams v. Walker-Thomas Furniture

Walker-Thomas Furniture Company had a program allowing customers to rent furniture on a monthly basis. Once enough monthly installments had been paid, the company would give the title to the customer—essentially, a “rent-to-own” program. Like other rent-to-own programs, in the case that a customer stopped making payments, the company could repossess the rented furniture, which it still owned.

However, in the standard contract (signed by Williams and others) there was a provision stating that the value of any new furniture leased by customers would be added to the total amount that customer still owed. Customers would make payments every month on the total amount they needed to pay in order to own all the furniture, rather than on individual pieces. So customers would not own any of the furniture until they owned all the furniture they had been leasing.

This meant that the company could come and repossess all of the furniture that had ever been leased to the customer, in the event that the customer ever failed to make a payment. For this reason, even though the total value of the customer’s completed payments might easily exceed the value of some pieces of furniture, the company could come and take it all back, according to the contract. This is exactly what it did in the case of Ora Lee Williams.