

AI in Rent-to-Own: An Industry Framework for Responsible Innovation

Guidance on Artificial Intelligence Adoption for APRO Member Businesses



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Executive Summary

The rent-to-own (RTO) industry is entering a period of significant technological change as artificial intelligence (AI) becomes more common across customer service, collections, marketing, operations, and internal business workflows. What was once considered emerging technology is quickly becoming part of everyday business operations throughout the industry.

According to APRO's recent AI survey, AI adoption among RTO companies has increased rapidly over the past year and is expected to continue growing. As more member businesses begin exploring AI tools and vendors, the Association of Professional Rental Organizations (APRO) recognizes the need for clear, practical guidance that reflects both the opportunities and responsibilities that come with these technologies.

This white paper is intended to serve as a practical resource for RTO businesses at every stage of AI adoption – from companies just beginning to explore tools like ChatGPT, Gemini, Copilot, or AI-assisted customer service platforms, to businesses actively evaluating vendors and implementing AI-supported workflows.

The paper provides foundational education about AI technologies, practical guidance for implementation, and operational considerations tailored to the unique customer service, compliance, and relationship-driven nature of the rent-to-own industry.

Key Areas Covered in This Framework

For Companies New to AI

Many RTO businesses are still in the early stages of evaluating how AI fits into their operations. This framework provides practical starting points, including:

- Clear explanations of what AI is – and what it is not
- Examples of AI tools relevant to RTO operations
- Guidance for exploring low-risk use cases
- Practical considerations for evaluating potential risks and benefits
- Recommendations for responsible implementation and oversight

For Companies Already Using or Evaluating AI

Some member companies are already testing AI tools, working with vendors, or implementing more advanced workflows. For those businesses, this paper provides guidance related to:

- Vendor evaluation and contract considerations
- Department-specific implementation strategies
- Compliance and operational review processes
- Monitoring performance, accuracy, and customer experience
- Adjusting and improving AI usage over time

Key Principles at a Glance

- ✓ Transparency
- ✓ Human Oversight
- ✓ Data Protection
- ✓ Compliance
- ✓ Vendor Accountability
- ✓ Continuous Review

Core Principles and Operational Priorities

Throughout the paper, several consistent themes emerge that should guide AI adoption within the RTO industry:

- **Transparency and Disclosure** – Customers should understand when AI is being used in communications or support interactions
- **Human Oversight** – AI should support employees and operations, not replace human judgment or accountability
- **Data Privacy and Security** – Customer information must be handled carefully and responsibly
- **Compliance and Consumer Protection** – Existing legal and regulatory obligations still apply to AI-assisted activities
- **Vendor Accountability** – Companies should understand how AI vendors handle data, security, and operational support
- **Continuous Review and Improvement** – AI tools should be monitored regularly to ensure they remain accurate, useful, and aligned with company expectations

The Opportunity – and the Responsibility

AI presents meaningful opportunities for RTO businesses to improve efficiency, support employees, expand responsiveness, and enhance the customer experience. At the same time, these technologies also introduce operational, compliance, and reputational risks if they are implemented carelessly or without appropriate oversight.

For the rent-to-own industry, the challenge is not simply whether to adopt AI, but how to adopt it responsibly while preserving the trust, personal service, flexibility, and accountability that remain central to successful RTO operations.

This framework is intended to help APRO members approach AI with a balanced and practical mindset – embracing useful innovation while maintaining the standards and values that define the industry.



Part I: Understanding AI in the Context of Rent-to-Own

What Is Artificial Intelligence?

For many RTO operators, artificial intelligence can feel like a complex or distant technology associated primarily with large tech companies. In reality, AI tools are becoming increasingly accessible to businesses of all sizes and are already beginning to shape day-to-day operations across the rent-to-own industry.

Understanding what AI is – and what it is not – is an important first step toward making informed decisions about how these tools fit into your business.

Defining AI in Practical Terms

At its core, artificial intelligence refers to computer systems designed to perform tasks that normally require some level of human judgment or analysis. Depending on the tool, AI systems may be able to:

- Understand and respond to natural language
- Recognize patterns in data
- Generate written content or images
- Automate repetitive administrative tasks
- Assist with forecasting or recommendations

Most businesses interacting with AI today are using “generative AI” tools. These systems create new content – including text, images, summaries, code, or audio – based on patterns learned from large amounts of data.

In practical terms, these are the types of tools many employees are already experimenting with to:

- Draft emails
- Summarize information
- Create marketing content
- Assist with customer communication
- Organize operational workflows

Some of the most widely used AI tools currently include:

- **ChatGPT (OpenAI)** – Conversational AI used for writing, summarizing, research, analysis, and general business support
- **Claude (Anthropic)** – AI assistant known for long-form writing, analysis, and more detailed reasoning tasks
- **Copilot (Microsoft)** – AI features integrated into Microsoft products such as Word, Excel, Outlook, and Teams
- **Gemini (Google)** – Google’s AI platform designed to work across text, images, video, and productivity tools

How AI Tools Actually Work

AI systems can appear highly intelligent in conversation, but it is important to understand that they do not “think” or “understand” information the way humans do. Instead, they identify patterns and generate responses based on probabilities learned from large datasets.

At a basic level, most AI systems work through several common steps:

- The system is trained using large amounts of existing data

- A user enters a prompt, request, or question
- The AI identifies patterns related to that request
- The system generates a response based on predicted probabilities

While these tools can be extremely useful, they also have important limitations that businesses should understand before relying on them too heavily.

Important Limitations to Keep in Mind

- AI can generate inaccurate or misleading information that sounds convincing
- AI systems may reflect bias present in training data
- AI tools do not understand context, emotion, or customer relationships the way employees do
- AI should not replace human judgment in complex or sensitive situations
- Some AI systems may rely on outdated information depending on how and when they were trained

Understanding these limitations is essential. AI can be a powerful support tool, but it still requires human oversight, review, and common sense.

AI Tools Relevant to RTO Operations

AI use within the rent-to-own industry is still evolving, but several practical use cases are already becoming common.

Customer Service Applications

Many companies are exploring AI tools that can help support customer communication and responsiveness, including:

- Chatbots for basic customer questions
- AI-assisted phone systems
- Email drafting and response support
- Sentiment analysis tools that help identify frustrated or dissatisfied customers

Operational Applications

AI is also beginning to assist with operational workflows such as:

- Inventory forecasting
- Route optimization for deliveries and pickups
- Maintenance prediction and scheduling
- Identifying product demand patterns

Marketing Applications

Marketing is one of the most common entry points for AI adoption because many tools are inexpensive and easy to test. Common uses include:

- Generating social media content
- Drafting advertising copy
- Organizing customer audiences
- Improving website visibility and search performance

Administrative Applications

Some businesses are also using AI to streamline internal administrative work, including:

- Document summarization
- Meeting transcription
- Report generation
- Translation support
- Internal workflow organization

Part II: Foundational Principles for Responsible AI Implementation

As AI becomes more common across the rent-to-own industry, businesses need a practical framework for deciding how these tools should – and should not – be used. While the technology itself is changing quickly, the core responsibilities of RTO businesses remain the same: serving customers fairly, protecting sensitive information, complying with the law, and maintaining trust over long-term customer relationships.

The following principles are intended to help APRO members adopt AI in a way that reflects both the opportunities and the realities of the rent-to-own business.

Principle 1: Be Transparent About AI Use

Customers should understand when they are interacting with AI systems or receiving AI-assisted communications. In a relationship-driven industry like rent-to-own, transparency helps build trust and reduces confusion about how customer interactions are being handled.

Most customers are comfortable with businesses using technology to improve responsiveness and efficiency. Problems usually arise when customers feel misled or cannot easily reach a real person when they need help.

Practical Approaches to Transparency

For written communications, companies may choose to:

- Identify AI-assisted chat systems
- Disclose automated payment reminders
- Note when AI-assisted drafting tools are used
- Provide clear ways to reach a live representative

Examples might include:

- “Automated payment reminder from [Company]”
- “AI-assisted message reviewed by our team”

- “Type ‘agent’ to speak with a representative”

For phone systems, businesses should make it easy for customers to understand when automation is involved and how to escalate to a person if needed.

Special Consideration: AI Voice and Automated Calls

AI voice tools are becoming more common in customer service, payment reminders, and account communications. These tools can improve efficiency, but they also create greater risk if customers do not understand they are interacting with an automated system.

Companies using AI voice tools should:

- Clearly disclose when AI or automation is being used
- Provide an easy path to a live employee
- Review call scripts for accuracy, tone, and compliance
- Be especially careful with payment-related or collections-related communications
- Avoid using AI voices in ways that could mislead customers into believing they are speaking with a specific employee

AI voice may be helpful for routine communication, but sensitive conversations involving complaints, hardships, disputes, or collections concerns should remain easy to escalate to a human representative.

Common Mistakes to Avoid

- Making AI systems appear intentionally human or deceptive
- Hiding disclosures in fine print or unclear language
- Preventing customers from reaching a live representative
- Presenting AI-generated responses as direct communication from a specific employee
- Using AI voice tools in sensitive situations without proper oversight

Principle 2: Keep Human Oversight and Accountability in Place

AI can help employees work more efficiently, but it should not replace human judgment in situations that directly affect customers. Rent-to-own transactions often involve individual circumstances, payment difficulties, or customer service situations that require flexibility, context, and empathy.

As AI tools become more sophisticated, businesses should remain careful not to rely too heavily on automation for decisions that carry operational, legal, or relationship consequences.

Situations That Should Continue to Involve Human Review

Examples include:

- Payment plan changes
- Collection escalations
- Pricing adjustments
- Account disputes
- Hardship situations
- Account closure decisions

- Customer complaints
- Unusual or sensitive customer circumstances

Practical Oversight Models

Many companies will use AI in ways that still keep employees actively involved in decision-making.

AI Draft, Human Review

- AI prepares a response or recommendation
- Employee reviews and edits
- Employee approves final communication

AI Recommends, Human Decides

- AI analyzes information and identifies patterns
- Employee reviews the recommendation
- Employee makes the final decision

AI Handles Routine Tasks, Human Manages Exceptions

- AI supports routine workflows
- Employees intervene when issues become more complex or sensitive

The exact structure may vary by company size and operational needs, but accountability should always remain with the business and its employees.

Principle 3: Protect Customer Data Carefully

Rent-to-own businesses handle sensitive customer information every day. As AI tools become more common, companies need to be thoughtful about what information employees enter into these systems and where that information is stored.

Many publicly available AI tools are designed for convenience and productivity, not for handling confidential customer information. A simple mistake – such as entering customer account details into an unsecured AI platform – can create unnecessary privacy and compliance risks.

Information That Should Never Be Entered Into Public AI Tools

Unless specifically approved through secure company systems, employees should avoid entering:

- Customer names or addresses
- Phone numbers or email addresses
- Social security numbers
- Payment card or bank account information
- Account credentials or passwords
- Payment histories
- Income or employment information
- References or emergency contacts

- Any combination of information that could identify a specific customer (Personally Identifiable Information or PII)

When in doubt, customer-specific information should be left out of AI prompts entirely.

Appropriate Uses for Public AI Tools

Lower-risk uses may include:

- Drafting general marketing content
- Creating training materials
- Summarizing public information
- Brainstorming ideas
- Creating fictional practice scenarios
- Improving internal templates that do not include customer information

Security Expectations

Businesses evaluating AI vendors should understand:

- How customer data is stored
- Whether information is encrypted
- Who has access to data
- How long information is retained
- Whether customer data is used to train the vendor's AI systems
- What happens to data if the vendor relationship ends

Protecting customer trust should remain the priority.

Principle 4: Check AI Outputs for Accuracy and Reliability

AI tools can produce useful work quickly, but they can also make mistakes. Sometimes those mistakes are obvious. Other times, AI-generated content may sound polished and confident even when it is incomplete, outdated, or wrong.

This matters in RTO because inaccurate information can affect customer communications, payment reminders, marketing claims, internal policies, and compliance-related materials. Employees should never assume that AI-generated content is correct simply because it sounds professional.

Understanding AI Hallucinations and Inaccurate Outputs

An “AI hallucination” occurs when an AI system generates false, misleading, or fabricated information that appears believable. This can include:

- Misstating legal requirements
- Inventing policy language
- Providing outdated information
- Summarizing a document incorrectly
- Creating inaccurate customer-facing language
- Making unsupported claims in marketing copy

For everyday business use, the most important rule is simple: AI-generated content should be reviewed before it is relied on, shared, or sent to a customer.

Practical Review Steps

Companies should encourage employees to:

- Review AI-generated content for accuracy and tone
- Verify legal, regulatory, or compliance-related statements before use
- Confirm that customer-facing communications match company policy
- Avoid relying on AI as the final source for legal or operational decisions
- Correct recurring errors in prompts, templates, or workflows
- Escalate uncertain or sensitive issues to a supervisor, compliance lead, or legal counsel

AI can save time, but it should not replace careful review.

Principle 5: Set Clear Guardrails for High-Risk Uses

Not every AI use case carries the same level of risk. Drafting a general marketing idea or summarizing a public article is very different from using AI in collections, customer account decisions, pricing, legal compliance, or sensitive customer communications.

Companies should identify which uses are acceptable, which require review, and which should be prohibited altogether.

High-Risk or Prohibited Uses of AI

AI tools should not be used to:

- Make final customer decisions without human review
- Approve, deny, or change account terms without employee oversight
- Generate collections messages without compliance review
- Provide legal advice or final compliance determinations
- Create fake reviews, false testimonials, or misleading marketing claims
- Impersonate employees, customers, or company representatives
- Input customer personal information into unapproved public AI tools
- Bypass company policies or required approval processes
- Automate sensitive customer interactions without a path to human assistance

Uses That Require Extra Caution

Companies should be especially careful when using AI for:

- Collections communications
- Payment-related messages
- Customer complaints or disputes
- Hardship situations
- Pricing or promotional language
- Vendor-managed customer communication tools
- Employment or hiring-related decisions

These uses may still be appropriate in some circumstances, but they should include human review, clear procedures, and careful monitoring.

Low Risk	Moderate Risk	High Risk
Marketing drafts	Customer messaging	Collections decisions
Training materials	Payment reminders	Account determinations
Meeting summaries	Complaint responses	Legal/compliance decisions

Practical Guardrails

Businesses should consider:

- Identifying approved AI tools
- Defining acceptable and prohibited uses
- Training employees on what information may not be entered into AI systems
- Requiring review of customer-facing communications
- Documenting sensitive AI-assisted workflows
- Periodically reviewing AI use as tools and business practices evolve

The goal is not to make AI adoption difficult. The goal is to make sure AI is used in ways that support the business, protect customers, and preserve the trust that RTO companies work hard to build.

Part III: Resources and Tools

AI Vendor Examples Relevant to RTO Operations

General AI Platforms

OpenAI (ChatGPT)

Common Uses:

Content drafting, internal communications, summarization, customer communication support, analysis, and workflow assistance

General Pricing:

Approximately \$20–\$200+ per user/month depending on plan and usage

Strengths:

Highly flexible, widely adopted, strong writing and analytical capabilities

Considerations:

Requires thoughtful prompting and careful review of outputs

Potential RTO Applications:

Marketing support, internal workflows, training materials, operational assistance

Anthropic (Claude)

Common Uses:

Long-form writing, document review, policy analysis, research, and compliance-oriented workflows

General Pricing:

Approximately \$20–\$200+ per user/month

Strengths:

Strong performance with long documents and structured analysis

Considerations:

Fewer integrations than some larger platforms

Potential RTO Applications:

Policy development, document review, training content, operational analysis

Microsoft Copilot

Common Uses:

Document drafting, email support, spreadsheet analysis, workflow automation

General Pricing:

Approximately \$30/user/month depending on Microsoft licensing structure

Strengths:

Deep integration with Microsoft 365 products

Considerations:

Most valuable for companies already heavily using Microsoft systems

Potential RTO Applications:

Operational efficiency, reporting, internal communication workflows

Customer Service Platforms

Zendesk AI

Common Uses:

Customer support workflows, ticket management, knowledge bases, customer communication systems

Strengths:

Robust customer support infrastructure and scalability

Considerations:

Implementation and optimization may require additional setup and training

Potential RTO Applications:

Mid-size to larger customer support environments

Intercom

Common Uses:

Live chat, customer messaging, automated customer service flows

Strengths:

Strong automation tools and user-friendly interface

Considerations:

Costs may increase significantly as usage scales

Potential RTO Applications:

Digitally focused customer communication and engagement

Sample AI Use Policy Template

The following sample policy is intended as a starting point only. Companies should review any policy language with legal counsel and adapt it to their operational structure, state requirements, and internal compliance practices.

Download the Sample AI Use Policy Template:

- [Word Document](#)
- [PDF Document](#)

Glossary of Common AI Terms

AI Agent

An AI system designed to take actions, make decisions, or complete tasks with limited human involvement.

AI Automation

The use of AI tools to perform tasks or workflows with minimal manual effort.

Algorithm

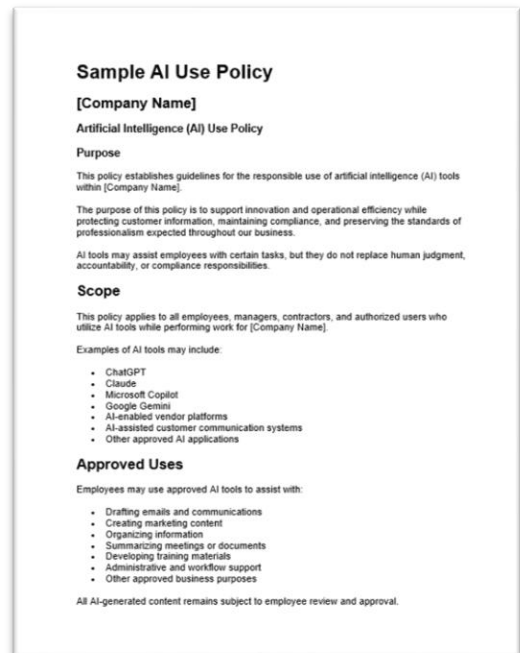
A set of defined rules or instructions a system follows to process information and generate an output.

API (Application Programming Interface)

A method that allows different software systems or platforms to communicate with each other.

Bias

Systematic errors or unfair outcomes in AI-generated results, often reflecting patterns present in training data.



Chatbot

An AI-powered tool designed to simulate conversation with users through text or voice interactions.

Deep Learning

A type of machine learning that uses layered neural networks to recognize complex patterns in large amounts of data.

Fine-Tuning

The process of adjusting a pre-trained AI model using additional data to improve performance for a specific task or use case.

Generative AI

AI systems that create new content – such as text, images, audio, or code – based on patterns learned from existing data.

Hallucination

When an AI system generates inaccurate, misleading, or fabricated information that appears believable.

Human-in-the-Loop

A process where human oversight is included in AI-assisted decisions or workflows.

Large Language Model (LLM)

A type of AI model trained on large amounts of text data to understand and generate human-like language.

Machine Learning

A subset of AI where systems learn patterns from data and improve performance over time without being explicitly programmed for every task.

Multimodal AI

AI systems capable of processing and generating multiple types of information, such as text, images, audio, or video.

Natural Language Processing (NLP)

AI technology focused on understanding, interpreting, and generating human language.

Neural Network

A type of AI architecture inspired by how the human brain processes information and recognizes patterns.

Prompt

The instruction, question, or input provided to an AI system.

Token

A unit of text processed by AI models, such as a word or part of a word.

Training Data

The information used to train AI systems to recognize patterns and generate outputs.

Transformer

A neural network architecture that powers many modern AI systems and helps them process language and context efficiently at scale.

Conclusion: Leading Responsible AI Adoption in Rent-to-Own

Artificial intelligence is likely to play an increasingly important role in the future of the rent-to-own industry. As this paper has outlined, AI tools have the potential to improve operational efficiency, support employees, enhance customer communication, and help businesses respond more effectively to changing customer expectations.

At the same time, successful AI adoption will require thoughtful implementation, ongoing oversight, and a continued commitment to the values that have long defined the RTO industry. Technology alone is not what builds successful businesses. Trust, accountability, customer relationships, and sound judgment still matter – and they will continue to matter as AI becomes more common across the industry.

Key Takeaways

1. AI Should Support – Not Replace – Human Relationships

AI can help employees work more efficiently, but it cannot replace the judgment, flexibility, empathy, and personal service that remain central to successful RTO operations.

2. A Practical Approach Usually Works Best

Most companies do not need to implement advanced AI systems overnight. Starting with lower-risk applications and expanding gradually often leads to better long-term results.

3. Compliance Responsibilities Still Apply

Federal and state laws continue to apply regardless of whether a communication or workflow involves AI assistance. Compliance should remain part of the process from the beginning.

4. Transparency Strengthens Customer Trust

Customers are more likely to respond positively to AI when businesses are open about how it is being used and when human assistance remains available.

5. Protecting Customer Information Must Remain a Priority

As AI tools become more common, businesses should remain careful and intentional about how customer information is handled and protected.

6. Human Oversight Still Matters

AI systems can make mistakes, generate inaccurate information, or produce inconsistent results. Employee review and common sense remain essential.

7. Vendor Selection Is Important

AI vendors quickly become part of a company's operational and compliance environment. Businesses should choose partners carefully and understand how customer information is being handled.

8. Employee Training Makes a Difference

Employees do not need to become AI experts, but they should understand company expectations, approved uses, and basic risks associated with these tools.

9. Ongoing Review Is Necessary

AI systems should be monitored over time to ensure they remain accurate, useful, and aligned with company standards and customer expectations.

10. Responsible Adoption Reflects Industry Leadership

The companies that will benefit most from AI are likely to be the ones that approach it thoughtfully, responsibly, and in ways that strengthen customer relationships rather than weaken them.

The Path Forward

AI technology will continue evolving quickly, and the rent-to-own industry will likely continue adapting alongside it. Some companies will move faster than others, and the tools themselves will continue changing over time. What should remain consistent, however, is the industry's commitment to customer service, transparency, fairness, and responsible business practices.

This framework is intended to provide a practical starting point – not a final answer to every question surrounding AI adoption. Businesses will continue learning through experience, collaboration, and ongoing refinement of policies and operational practices.

APRO remains committed to supporting member companies throughout that process by:

- Providing updated guidance and educational resources
- Facilitating industry discussion and peer learning
- Monitoring legal and regulatory developments
- Encouraging responsible innovation across the industry

Call to Action

APRO encourages member companies to approach AI with curiosity, caution, and practicality.

That may include:

- Evaluating current operational needs
- Identifying low-risk opportunities for experimentation

- Developing internal policies and training
- Reviewing vendor relationships carefully
- Learning from both successes and challenges
- Sharing experiences and best practices across the industry

AI will continue evolving. The goal is not to adopt every new tool immediately, but to make thoughtful decisions that support customers, employees, and long-term business success.

By approaching AI responsibly, APRO members can continue strengthening the rent-to-own industry while maintaining the trust, service, and accountability that customers expect.

This framework is a living document that will be updated regularly to reflect evolving technology, regulations, and industry best practices. For the latest version and additional resources, visit www.rtohq.org/ai-resource-hub.

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