

ADVERTISING RULES

The Dealer CANNOT

- ❑ List vehicles that are unavailable for sale.
- ❑ State untrue or misleading “pre approval” claims.
- ❑ Imply the ability or willingness to finance everyone.
- ❑ Provide guaranteed trade-in allowance & trade payoff promises without a disclosure that negative equity will be added to loan/lease balance.
- ❑ Claim a product or dealership is endorsed or associated with the US government or military.
- ❑ Have “View Details”, “Important Information”, or similar links that need to be clicked to see disclaimer language.
- ❑ Make misleading statements about export or transportation rules.
- ❑ “Speed read” disclosures in radio and television advertisements.



Scan to learn more about ComplyAuto's FTC CARS solution - ComplyAuto Guardian

OFFERING

The Dealer CANNOT

- Use “call for details”, “unlock price”, or similar in lieu of an “offering price” in a vehicle advertisement.
- Provide “MSRP only” advertising that doesn't include the actual asking price.
- Sell above the MSRP unless the specific asking price is listed in the ad.
- *Exclude* doc fees, mandatory add-ons, filing charges, or other non-governmental fees from the advertised price.
- Include rebates that *all customers* wouldn't qualify for, such as “high credit score” rebates, in the advertised price, unless clearly disclosed.
- Respond to a consumer's inquiry about a specific vehicle without including the “offering price.”
- Advertise finance or purchase specials for a group of vehicles without showing the vehicle's “offering price.”
- Display the monthly payment in a formula such as “\$XX.XX per month per \$1,000 financed” in finance specials.

PRICE

RULES

MONTHLY PAYMENT 'TRIGGER TERM' RULES

The Dealer CANNOT

- Display a monthly payment without disclosing (1) the total amount the customer will pay after making all payments and (2) the total amount due at signing or downpayment.
- Compare two monthly payments with varying amounts without a clear disclosure that the customer will pay more over the life of the loan of the lower payment.

Contact a ComplyAuto compliance expert for assistance

ADD-ON RULES

The Dealer CANNOT

- Exclude pre-loaded “mandatory” dealer add-ons from the advertised price.
- Include or charge for “optional” add-ons without (1) a clear and conspicuous disclosure stating that the add-ons are optional and (2) not required for vehicle purchase/finance/lease.
- Advertise add-ons that provide no benefit.
- Sell GAP when there is no value to customer (low LTV ratio) or GAP terms exclude the customer’s locality.

♦ **Vendor tip:** Discuss the possibility of having add-on product providers indemnify the dealerships and represent the benefits of the products they are selling and their compliance with CARS Rule.

ADD-ONS & DEALER FEES FORM

The Dealer MUST use a disclosure form that includes the following:

- Price of each add-on and any other dealer fees
- Description of each charge
- Initials next to each charge
- Whether each add-on is optional or mandatory
- Total cost with and without each add-ons
- Clear disclosure that optional add-ons do not need to be purchased
- Clear disclosure that GAP is not necessary to obtain financing
- Customer signature at the bottom

RECORD RETENTION RULES CHECKLIST

The Dealer MUST keep for 24 months

- F&I training materials and sales scripts
- Advertising and marketing materials
- Backups and exports from social media services, email platforms, chat platforms, and texting systems
- All *written* communications, including email, text, and CRM communications between customer and sales staff for consummated transactions
- Finance & lease paperwork *signed* by the customer, whether or not the deal is consummated
- LTV calculations, such as in GAP contracts or credit applications submitted to banks
- Copies of all products and add-on paperwork and contracts
- Copies of all consumer complaints, including those on social media
- Copies of all inquiries related to vehicle and add-ons

Visit ComplyAuto at the 2024 NADA Show in Las Vegas, Feb 1-4, 2024 to learn more! **Booth #4649W**

