

FEDERAL ADVERTISING CHECKLIST

Truthfulness

- All claims and offers are truthful and not misleading (not false and not tricky). Whether an ad is tricky or not should be viewed from a "reasonable consumer" perspective.

Finance Terms (Truth in Lending Act)

- In a credit sale advertisement, if a trigger term is used (the amount of a downpayment, the amount of an installment payment, the number of installments (term), or the amount of any finance charge) the following required terms are also disclosed:
 - The amount of the installment payment;
 - The amount or percentage of down payment;
 - The number of installments (term); and
 - The annual percentage rate.
- Interest rate is stated as an annual percentage rate by either abbreviating APR or using the words "annual percentage rate." If the APR is in lieu of a rebate, that fact must be disclosed.
- "No down," "\$0 down" or the equivalent is not used in the advertisement unless, in fact, no payment or trade-in of any kind is required at delivery (not even sales tax, license fees or use of any manufacturer's rebate).

Lease Terms (Consumer Leasing Act)

- In a closed-end lease advertisement, if a trigger term is used (the amount of any payment; or the amount of any up-front payment, or that no down payment (e.g., "No down," "Zero drive-off") is required), the following required terms are also disclosed:
 - The fact that the transaction is a lease;
 - The total amount due at lease signing;
 - If a security deposit is required, the amount of the deposit. If no security deposit is required, the statement "No security deposit is required"; and
 - The number, amounts, due dates or periods of scheduled payments.
- If there is any reference to the amount due at lease signing (i.e., "\$0 due at signing"), the total amount due at lease signing must be "equally prominent" (i.e., in the same type size and color and be immediately adjacent to the amount being qualified). This applies to the inclusion of a factory rebate in the offer and if government fees and taxes are required.

Price Terms

- The advertised price is the total payment required of the purchaser prior to delivery. Any payment for government fees, processing charges or other fees is either included or adequately disclosed.

- A price is not advertised as available when the inventory is made up only of vehicles with additional equipment or subject to extra fees, unless they are fees disclosed as required by law
- The advertised price is available to any consumer (no "internet specials" or similar offers available only to consumers responding to a specific advertisement).

Rebates and Incentives

- A price is not reduced by the amount of any manufacturer/distributor rebate or incentive unless the prices both before and after the application of the rebate or incentive are adequately disclosed and labeled and the restrictions and qualifications of each rebate or incentive are adequately disclosed. Advertising a single price or payment qualified using only phrases such as "after rebate," "includes rebate," "not all consumers will qualify", or similar words is not sufficient.
- A price is not reduced by rebates, or incentives that cannot be available to the same buyer (e.g. "owner loyalty rebate," and "first time buyer rebate.")

Adequate Disclosures

- Disclosures are "clear and conspicuous" (readily noticeable, readable, audible, and understandable to a reasonable consumer).
 - Disclosures are large enough for people to notice and read
 - The wording and format of disclosures are easy for people to understand
 - Disclosures are in a noticeable location
 - Disclosures are near or clearly tied to the offer/claim they qualify
- A used vehicle with an open recall is not advertised as "certified" or with a safety representation.
- Advertised vehicles are properly identified by year, make, model, and trim level. The descriptions of vehicles are specific to differentiate the type of vehicle available at the ad price from those that are not available.
- Used vehicles are clearly identified as "used" or "preowned."
- The term "free" or similar term is not used in vehicle advertising.
- If a vehicle is advertised at a specific offer, there should be enough of those vehicles available to meet the reasonably expected demand, otherwise a quantity limit is adequately disclosed.