

FEDERAL ADVERTISING CHECKLIST

Truthfulness

- All claims and offers are truthful and not misleading (not false or tricky). Whether an ad is tricky, 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 processing charges or other non-governmental fees (i.e., freight charges) shall be included in the price.
- Only fees not included in the price are government fees (i.e., tags, title, tax).

- 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 the fees are included in the price 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 cannot be reduced by rebates, or incentives that are not available to every buyer (e.g. "owner loyalty rebate," and "first time buyer rebate.")
- 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.
- Rebates/incentives with conditions (e.g. "owner loyalty rebate," and "first time buyer rebate") can be advertised as additional items that could reduce the price but should not be in the dealer's advertised price.

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.
- For CPO vehicles, clear disclosure should be made if it's a dealer's or manufacturer's CPO program.
- 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.
- Advertisement should have an expiration date for price (i.e., "Dealer's Total Price expires at the end of each business day.")