

FEDERAL TRADE COMMISSION UPDATE

Don't Be Dealer #98:

FTC Pricing FAQ Decoded

Automobile Industry Pricing Transparency FAQs • Released September 15, 2026

What We'll Cover

You've already seen the March warning letters — today is all about what the new FAQs add.

01

60-second refresher

The March warning letters, briefly — plus the new personal-liability angle

02

What's actually new

Straight from the FTC's September 15 FAQs

03

The core rule

What must be in your advertised price

04

The gray areas dealers ask about

MSRP, processing fees, "click here" ads, leasing, negotiation, inventory, photos

05

Who's on the hook

Dealers, third-party sites, and OEMs

06

What to do Monday morning

A practical compliance checklist

60-Second Refresher: The March Letters

VADA covered this in detail this spring — here's just enough context for what's next.

97

auto dealer groups nationwide received a warning letter on March 13, 2026

The letters warned dealers they “may be advertising prices for cars that are lower than what you actually charge consumers” — citing Lindsay Chevrolet, Leader Automotive, and Asbury as examples of pending FTC cases.

The 6 practices they flagged

- X Prices missing required fees
- X Rebates/discounts not open to all
- X Ignoring a required down payment
- X Prices tied to dealer financing
- X Required add-ons left out of price
- X Advertising unavailable vehicles

Today we're not re-covering this — we're covering what the FAQs add on top of it.

The Real Risk: It's Personal

The FTC isn't just naming dealer groups — GMs, VPs, and managers are being pursued individually.

VIRGINIA CASE

\$78M

VA/MD dealer group (3 stores) settled March 2026 — the dealer, COO, and GM all personally named

\$4.8M

Two sales managers at an Illinois dealer group personally settled, on top of the dealer's own \$20M settlement

\$216M

An ex-dealer-group VP is being personally sued in what's reported as an unprecedented FTC case

The pattern is clear: officers and managers — not just the dealer entity — are being named personally. “I didn’t know” is not a defense. Make sure every level of your team, not just ownership, understands these rules.

What's Actually New in the FAQs

The warning letters told you what the FTC punished. The FAQs, released September 15, tell you what it expects — in plain language, before you're in a warning letter.

1

The legal test

An ad's “net impression” must not mislead a reasonable consumer — the touchstone for every question that follows.

2

14 concrete FAQs

Covers everything from internet listings to representative photos to who's liable — dealer, third party, or OEM.

3

The consumer's-eye test

Every ad is evaluated from the shopper's perspective, not the dealer's intent. What matters is what the consumer takes away — not what you meant to communicate.

Important caveat: the FAQs reflect FTC staff views and are not binding on the Commission — but they are the clearest signal yet of what investigators will look for.

Core Rule: What's In, What's Out

If a fee is required to buy the car, it belongs in the advertised price. Full stop.

MUST BE EXCLUDED

Only amounts a federal, state, or local government agency requires the consumer to pay directly to the government.

Examples: sales tax, title fees, registration fees paid directly to the government.

MUST BE INCLUDED

Everything else — including fees that government merely authorizes but doesn't mandate, and government fees you pass on to the consumer. Plain English: if it's a fee YOU charge, even if the state says you're allowed to, it goes in the price.

Examples: processing fees, dealer-added accessories required for purchase, other mandatory dealer charges.

VIRGINIA WATCH — COMPLIANCE GRAY AREAS

Virginia law requires online dealers to collect the DMV's electronic titling fee and remit it directly to DMV — VADA's position is that this makes it a government-mandated pass-through, excludable from the advertised price, but this is a compliance gray area the FTC has not squarely addressed. Similarly, the Virginia BPOL tax is an emerging gray area — VADA will be sending out specific guidance on how to treat it in advertised pricing.

Where the Rule Applies: Everywhere

There is no low-risk channel. The FTC Act follows the price, not the medium.

Dealer website

Third-party listing sites

Social media

Print ads

Roadside signage

Phone calls & texts

Internet Ads: The Prominence Rule

On any webpage that shows a price — inventory-search pages and individual listings alike — the actual price must be the most prominent amount.

Prominence isn't just font size. If the smaller MSRP sits where the eye naturally lands — or is paired with language like “the price you'll get” — the real price still isn't “most prominent.”

✓ COMPLIANT

\$34,999

MSRP \$37,500 · actual price shown largest & first

X RISKY

\$29,999*

Large teaser number; real walk-in price buried in fine print below the fold

"Click Here for Price" — The FTC Isn't Buying It

The FTC hasn't expressly banned "call for price" listings — but the net-impression standard makes them risky territory, and some state laws do prohibit them outright.

X THE PROBLEM

A listing that shows "Click here for our best price" or "Call for price" instead of the actual number means the consumer leaves the ad without knowing the cost. Under the net-impression standard, the FTC evaluates what the consumer takes away from the ad as a whole. While FAQ #4 technically addresses pages that already show an amount, the FTC's workshop comments suggest these practices are firmly on their radar.

✓ THE FIX

The safest move: show the actual, all-in price right on the listing — the same number the consumer would pay if they walked in today. You can still invite them to call or click for financing options or trade-in quotes — just don't use those actions as a substitute for displaying the price.

Bottom line: even where it's technically permitted, hiding the price is exactly the kind of practice that draws FTC attention. When in doubt, show the number.

MSRP & Discounts: Two Worked Examples

Discounts and rebates are allowed — as long as the full walk-in price stays king.

First-responder discount

\$34,999

– \$1,000 discount for first responders

Allowed — as long as \$34,999, the price any consumer can walk in and pay, is the most prominent amount, and the discount's terms are clearly stated.

Dealer-financing discount

\$39,999

– \$2,000 for using dealer financing

Allowed — as long as \$39,999, the price available to any consumer using any financing, is listed most prominently, not the discounted figure.

The pattern: the base, no-strings price is always the star. Discounts can appear — smaller, and with clear terms.

Processing Fees: The Math Has to Add Up

If any consumer must pay it, it's part of the advertised price — not an add-on at the desk.

$$\begin{array}{ccccc} \$40,000 & + & \$85 & = & \$40,085 \\ \text{advertised vehicle price} & & \text{mandatory processing fee} & & \text{the ONLY price you may advertise} \end{array}$$

The trap: discounted fees

If your dealership sometimes waives or reduces the processing fee for certain buyers but charges the full fee to others, you cannot advertise a price built on the lower fee. The advertised price must reflect the highest mandatory fee any consumer could actually be charged.

State Processing Fee Rules Don't Replace This

Virginia dealers already navigate state disclosure requirements — the FTC rule sits on top, not instead of them.

Step 1 — Satisfy the FTC Act

Make the true, all-in price the clearest, most prominent number in the ad.

Step 2 — Then layer on state requirements

Separate itemized disclosures, caps, or specific wording your state requires — these are additional, not a substitute.

The takeaway

Complying with Virginia's disclosure rules does not automatically satisfy the FTC Act — and vice versa. Check both.

Leasing Ads Face the Same Test

1

Upfront processing fees count

Any processing fee due at signing must be included in advertisements of the total amount due upfront — same logic as a processing fee on a sale.

2

Reg M and Reg Z still apply in full

The FTC Act layers on top of — it does not replace — your existing obligations under the Consumer Leasing Act / Regulation M and the Truth in Lending Act / Regulation Z.

For your F&I team: a lease ad now needs two compliance passes — the Reg M / Reg Z disclosures your training already covers, plus the FTC Act “is-this-price-real” pass.

Negotiation Is Fine. Bait Pricing Isn't.

The narrow-discount trap

A car advertised at \$24,999 must be the price ANY walk-in consumer can get — not a number only a handful of prior shoppers actually received.

Optional means optional

Protection packages and accessories are fine to offer — but if the dealer has no real intention of selling the car without those items, they aren't truly optional and must be included in the advertised price. "Optional" means the customer can actually walk in and say no.

Four things NOT to do with add-ons:

Suggest a required item is optional • imply an installed “option” can't be removed • misstate its cost • charge for options the buyer never agreed to.

Pop Quiz: What Do You Advertise?

THE SCENARIO

Your sales manager wants to advertise a Tahoe at \$52,999. The processing fee is \$899 and a pre-installed protection package is \$1,495. The manager says customers can decline the package "in theory" but nobody ever actually does. What price goes in the ad?

THE ANSWER

\$55,393

The processing fee is mandatory — it goes in. The protection package? If nobody ever actually walks out without it, it's not truly optional — it goes in too. The advertised price is the number any customer would actually pay: $\$52,999 + \$899 + \$1,495 = \$55,393$. Anything less, and you're the next warning letter.

Advertising Cars Not Physically On Your Lot

Many shoppers decide whether to visit based on the ad alone — transparency is what makes that fair.

In transit

Fine to advertise — but the ad must plainly say the car isn't physically on the lot yet, and it must actually be available for sale once it arrives (not already allocated to another paid order).

Offsite / inventory-shared

Same rule applies to cars stored at another location or available through a dealer inventory-sharing arrangement — disclose that it isn't on-site.

Recently sold

Never advertise a paid-for, delivered car just to draw traffic and steer shoppers to a pricier unit — a classic bait-and-switch the FTC Act prohibits.

Pro tip: *remove these listings the moment the sale is complete.*

In production (use caution)

The FAQs don't clearly address this. Staff's phrasing — “the car must actually be in transit” — suggests advertising a vehicle that's still in production, especially one far from arrival, could be treated the same as advertising an unavailable car.

Representative Photos: When a Stock Image Is OK

The test: would a reasonable consumer understand the photo is illustrative, not the exact car?

New & in-transit vehicles

A representative photo is generally OK — units are essentially identical, and consumers commonly expect a stock photo to stand in for a car still in transit.

Requirement: the photo must match make, model, condition, and every other material characteristic of the actual vehicle offered.

Used & antique vehicles

A stand-in photo is not appropriate. Because condition varies unit to unit, consumers reasonably expect the photo to be the exact car being sold.

If your inventory system defaults to a stock photo, make sure it's swapped for the actual unit before the ad goes live.

Who's on the Hook for a Bad Ad?

Short answer: everyone with control over the advertising.

Dealers

Provide the accurate price to any third party, take all steps within your control to ensure it's shown most prominently, and make sure no one in-house is giving contradictory pricing instructions.

Third-party advertisers

Responsible for making sure the accurate price you supplied is what actually displays most prominently on their platform.

OEMs

Must ensure none of their marketing programs or co-op ad policies conflict with these requirements. If an OEM template forces noncompliant pricing, dealers can report the conflict directly to the FTC — the agency has signaled it takes OEM-driven compliance barriers seriously.

Shared responsibility isn't an escape hatch: you're on the hook for every ad under your name. "The OEM made me do it" is not a defense — but it's worth reporting to the FTC.

No Grace Period — And No Sign of Slowing Down

“Price transparency is not a new requirement... If anyone is misleading consumers about price, they are risking FTC action.”

— FTC Automobile Industry Pricing Transparency FAQs, September 2026

The FTC is watching

Staff says explicitly it will "continue to monitor the marketplace." The FTC is also coordinating with state attorneys general — expect joint federal-state enforcement actions. They focus on patterns of behavior, not one-off mistakes — but a pattern can be as simple as the same fee being left out across your inventory listings.

Broader than you think

The FAQs point consumers to [ReportFraud.ftc.gov](https://reportfraud.ftc.gov) to submit ads and contracts as evidence. And if your group has a sister store that sells RVs or powersports — they need this presentation too. The guidance covers all motor vehicle dealers, not just franchised auto.

What to Do Monday Morning

- 1 Pull up your website and third-party listings side by side — confirm the walk-in price is the largest, most prominent number on the page.
- 2 Audit your processing fee: is it truly the same mandatory amount for every customer? If it's ever discounted or waived, you have to include it in the price.
- 3 Review add-on and protection-package scripts with sales staff — make sure nothing optional is ever presented as mandatory.
- 4 Check in-transit and offsite inventory listings for a clear, visible disclosure that the vehicle isn't physically on your lot.
- 5 Confirm any co-op or OEM-provided ad templates don't undercut your own pricing disclosures.
- 6 Loop in dealer counsel before your next big price-forward ad campaign or leasing promotion.
- 7 Search for any “click here for price” or “call for price” language on your website and third-party listings — replace it with the actual all-in price.

Resources & Where to Go Next



FTC Automobile Industry Pricing Transparency FAQs

The full 14-question staff guidance document (Sept. 15, 2026) — [ftc.gov](https://www.ftc.gov)



March 13, 2026 press release & warning letter template

Background on the 97-dealer notification — covered in VADA's spring webinar



VADA Legislative & Legal Affairs

Bring your specific ads, fee structures, or promotions to us before you launch them



Upcoming: VADA BPOL Tax Guidance

Watch for VADA's forthcoming guidance on how to treat the Virginia BPOL tax in advertised pricing

Reminder: these FAQs represent FTC staff views and are not binding on the Commission — when in doubt, get counsel's eyes on a specific ad.

Questions?

Let's talk through your dealership's specific ads and pricing practices.

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