

# Minnesota Automotive Advertising Standards

(January 2017)

Better Business Bureau of Minnesota and North Dakota (BBB) has promoted truth in advertising since 1912. Back then, advertising was limited to print ads. Today, the average consumer will encounter over 2,000 advertisements per day in many forms including banner ads and text messaging.

Since 1984, BBB has worked with GMADA and MADA to create an ethical advertising environment and promote the effectiveness of self-regulation. A set of voluntary advertising standards have been developed to assist dealers and their ad agencies.

BBB provides valuable services to the automotive industry:

- Advertising Standards: A set of guidelines has been created to assist dealerships. [www.bbb.org/minnesota/for-businesses/code-of-advertising](http://www.bbb.org/minnesota/for-businesses/code-of-advertising)
- Prior to Publication Ad Review Service: Advertisements sent to BBB before print or broadcast are reviewed for compliance of industry standards. BBB usually works with the General Manager, owner or the dealership's ad agency representative.
- Secret Shoppings: BBB conducts secret shoppings over the phone and on-site to make sure the dealership's advertising is consistent with their selling practices.
- Advertising Challenges: Each month BBB verifies 60-80 automobile advertising claims spanning all forms of media in Minnesota for adherence to the Automotive Ad Standards and applicable federal and state laws.
- Competitor Complaints: BBB will investigate advertising issues initiated from competing dealerships and will keep the competitor's name/dealership anonymous.
- Advertising Seminars: BBB offers free advertising seminars to auto dealerships to address concerns and give instruction relating to the Automotive Advertising Standards.
- Ad Alerts and Case Reports: BBB provides information to dealerships on emerging issues in advertising. BBB also provides MADA and GMADA reports of our efforts on behalf of the industry.

A dealership's participation in this self-regulatory program displays its commitment to ethical advertising and selling practices. Participation in this program also serves to prevent consumer complaints about advertising and improves the overall reputation of the industry.

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## INTRODUCTION

These standards of practice set forth certain basic principles in advertising the sale and lease of new and used automobiles and trucks. The standards apply to advertisements in all media.

The foundation for the standards lies in BBB's "Code of Advertising."

Basic Principles of the Code:

1.1 The primary responsibility for truthful and non-deceptive advertising rests with the advertiser. Advertisers should be prepared to substantiate any objective claims or offers made before publication or broadcast. Upon request, they should present such substantiation promptly to the advertising medium or BBB.

1.2 Advertisements which are untrue, misleading, deceptive, fraudulent, falsely disparaging of competitors, or insincere offers to sell, shall not be used.

1.3 An advertisement as a whole may be misleading by implication, although every sentence separately considered may be literally true.

1.4 Misrepresentation may result not only from direct statements, but by omitting or obscuring a material fact.

- See more at: [www.bbb.org/minnesota/for-businesses/code-of-advertising/#a1](http://www.bbb.org/minnesota/for-businesses/code-of-advertising/#a1)

Advertisers, advertising agencies and media should also be sure they comply with federal, state and local laws and regulations as they relate to advertising and selling practices, including licensing requirements where applicable.

BBB continues to work with the Automobile Dealer Steering Committee to develop and publish additional standards as needed. The basic principles of truthful and non-deceptive advertising, as outlined in the BBB "Code of Advertising," address more general advertising issues and may be looked to by dealers for further guidance.

**1. Availability of Vehicles.** A specific vehicle advertised for sale shall be in the possession of the advertiser and willingly shown and sold, as advertised, illustrated, or described at the advertised price and terms. Or, it should be available for order, with delivery guaranteed within a reasonable period of time. If a vehicle is available only by order, this condition must be clearly and conspicuously disclosed.

If a dealer advertises a price or special terms for a new vehicle, the identical price and terms must be available on all similarly equipped new vehicles of the same make and model offered for sale by the advertiser unless otherwise clearly and conspicuously disclosed in immediate conjunction with the price or special term reference, i.e. "3 only at this price."

If a dealer advertises a new vehicle and has insufficient similarly equipped vehicles to meet reasonably anticipated demand at the advertised price and terms, the dealer must specify the number of so similarly equipped vehicles in immediate conjunction with the special

advertised price or terms. For example the phrase, "3 only at this price" could be placed next to the advertised price.

A dealer may not place an ad for a new vehicle or fail to take reasonable steps to rescind placement of an ad for a new vehicle if the dealer knows or should know that the available supply of similarly equipped vehicles will be depleted by the time the ad appears.

**2. Inclusion In Price and Add-Ons.** When the price of a vehicle is advertised in a local medium, the vehicle shall be fully identified as to year, make, and model. In addition, the stated price must include all charges which the customer must pay for the vehicle including, but not limited to, "freight" or "destination charges," "dealer preparation," "dealer handling," "additional dealer profit," "additional dealer margin," and "undercoating or rustproofing" if the vehicle is already so equipped. The advertised price need not include state and local taxes, tags, registration and title fees, and a document administration fee not to exceed \$75 which reflects the cost of services actually performed by the dealer in processing title and registration documents.

**3. Conditional Pricing, Payment and Eligibility Disclosures.** The most prominent reference to an advertised price or savings must be one available to all customers without condition.

The most prominent reference to an advertised monthly finance or lease payment must be the amount calculated from the vehicle price available to all customers without condition other than being creditworthy and entering into the finance or lease transaction.

The prominent price or savings may reflect rebates and discounts available to all consumers (e.g., factory cash, dealer discount), but must not reflect "conditional" rebates and discounts available only to some consumers, including (but not limited to) college grad, military, conquest, loyalty, trade-in bonuses, and finance bonuses except as described below.

A finance bonus (incentive) may be reflected in the prominent price or savings if all of the following apply:

1. The advertised vehicle is new;
2. The incentive is offered for installment sales financing - not lease financing;
3. The incentive is offered by a motor vehicle manufacturer or its recognized retail finance subsidiary (versus at the dealership level);
4. The incentive is generally available to consumers of average creditworthiness;
5. The finance incentive savings amount is separately stated and clearly distinguishable from non-conditional incentives and savings; and
6. The requirement to finance and an available Annual Percentage Rate (APR) is clearly and conspicuously disclosed in immediate conjunction with the prominent price or savings.

The prominent monthly finance or lease payment may reflect finance incentives associated with the credit or lease offer (e.g., manufacturer / dealer finance bonus, lease cash), but must not reflect other conditional rebates and discounts referenced above (e.g., college grad, loyalty).

If referencing conditional discounts or presenting a “secondary” price available only by qualifying for conditional discounts, all essential requirements must be clearly and conspicuously disclosed in immediate conjunction with the secondary price or conditional discount. The disclosure must be made in a manner and with sufficient detail for a reasonable consumer to determine his or her eligibility for that price or discount. The secondary price must not be more prominent than the price available to all consumers.

## Examples of Conditional Price Advertising *(Print or Display Ads)*

Note: Examples assume \$29,999 MSRP, \$3,000 dealer discount (available to all), \$2,000 GM Rebate (available to all) and \$1,000 Trade-In Bonus (must trade in a 2008 or newer vehicle)

|  |   |
|--|---|
| <p style="color: green; font-weight: bold;">Acceptable</p> <p style="font-size: 1.2em; font-weight: bold;">2016 Pontiac Sunbird</p> <p style="margin-top: 10px;">MSRP: \$29,999<br/>GM Rebate: \$2,000<br/>Dealer Discount: \$3,000</p> <p style="font-size: 1.5em; font-weight: bold;">Price: <b>\$24,999</b></p> <p style="font-weight: bold;">AARP Member Price: \$23,999</p> <p style="font-size: 0.8em; margin-top: 20px;">Tax, title, license &amp; document fee extra<br/>Rebates to dealer</p>   | <p style="color: red; font-weight: bold;">Unacceptable</p> <p style="font-size: 1.2em; font-weight: bold;">2016 Pontiac Sunbird</p> <p style="margin-top: 10px;">MSRP: \$29,999<br/>GM Rebate: \$2,000<br/>Dealer Discount: \$3,000<br/>AARP Discount: \$1,000</p> <p style="font-size: 1.5em; font-weight: bold;">Price: <b>\$23,999</b></p> <p style="font-size: 0.8em; margin-top: 20px;">Tax, title, license &amp; document fee extra<br/>Rebates to dealer</p> |
| <p style="color: green; font-weight: bold;">Acceptable</p> <p style="font-size: 1.2em; font-weight: bold;">2016 Pontiac Sunbird</p> <p style="margin-top: 10px;">MSRP: \$29,999<br/>GM Rebate: \$2,000<br/>Dealer Discount: \$3,000</p> <p style="font-size: 1.5em; font-weight: bold;">Price: <b>\$24,999</b></p> <p style="font-weight: bold;">-\$1,000 Trade-In Bonus! \$23,999</p> <p style="font-size: 0.8em; margin-top: 20px;">Tax, title, license &amp; document fee extra<br/>Rebates to dealer; must trade 2008 or newer for trade bonus</p> | <p style="color: red; font-weight: bold;">Unacceptable</p> <p style="font-size: 1.2em; font-weight: bold;">2016 Pontiac Sunbird</p> <p style="margin-top: 20px; font-size: 1.5em; font-weight: bold;">Price: <b>\$23,999</b></p> <p style="font-size: 0.8em; margin-top: 20px;">Tax, title, license &amp; document fee extra<br/>Rebates to dealer; includes trade bonus for trading 2008 or newer</p>  |

**Examples of Conditional Payment Advertising**  
*(Print or Display Ads)*

|  |   |
|--|---|
| <p><b>Acceptable</b></p> <p>2016 Pontiac Sunbird</p> <p>Finance for <b>\$377</b> /Month</p> <p>5% APR \$4000 Down for 60 Months. Payment includes \$1000 finance assistance from Aly Financial. On Approved Credit. Tax, title, license &amp; document fee extra</p> | <p><b>Unacceptable</b></p> <p>2016 Pontiac Sunbird</p> <p>Finance for <b>\$359</b> /Month</p> <p>5% APR \$4000 Down for 60 Months. Payment includes \$1000 finance assistance from Aly Financial and \$1000 trade bonus for trading 2008 or newer vehicle. On Approved Credit. Tax, title, license &amp; document fee extra</p> |
|--|---|

**Examples of Conditional Lease Payment Advertising**  
*(Print or Display Ads)*

|   |  |
|---|--|
| <p><b>Acceptable</b></p> <p>2016 Pontiac Sunbird</p> <p>Lease for <b>\$199</b> a month!<br/>You might also qualify for \$500 Pontiac lease loyalty – see dealer for details!</p> <p>36 months, 12,000 miles per year. \$1,000 due at signing plus tax, title, license and document fee. No Security Deposit</p> | <p><b>Unacceptable</b></p> <p>2016 Pontiac Sunbird</p> <p>Lease for <b>\$185</b> a month!</p> <p>36 months, 12,000 miles per year. \$1,000 due at signing plus tax, title, license and document fee. No Security Deposit. Includes \$500 Pontiac lease loyalty</p> |
|---|--|

## Examples of Conditional Price Advertising (Website Listings)

*Examples assume \$29,999 MSRP, \$3,000 dealer discount (available to all), \$2,000 GM Rebate (available to all), and \$1,000 Trade-In Bonus (must trade in a 2008 or newer vehicle)*

### Acceptable - Independent Search Site

#### Price

\$30,000 or less (7)

\$35,000 or less (50)

\$40,000 or less (69)

#### Mileage

15,000 or less (71)

#### Specials

Recent Price Drop (12)

#### Trim

Select Multiple

Sunbird LE (27)

Sunbird SE (16)

**Get a Quote Now**



#### 2016 Pontiac Sunbird SE

- Jazz Blue Pearlcoat
- RWD
- V6 3.6L
- Sedan

NEW 1 5

Great car at a great price! Save an add'l \$1,000 with our Trade-In Bonus! (Must trade 2008 or newer.)

You'll be hard pressed to find a better car than this

[...Read More](#)

**\$24,999**

\$29,999 MSRP

\$5,000 savings

Brooklyn Park, MN

55445

23 Mi. Away

Email Seller

800-646-6222

*Price 'pushed' to website includes only rebates / discounts available to all. Secondary reference to Trade-In Bonus includes clear and conspicuous disclosure, without need to click through link.*

### Unacceptable - Independent Search Site

#### Price

\$30,000 or less (7)

\$35,000 or less (50)

\$40,000 or less (69)

#### Mileage

15,000 or less (71)

#### Specials

Recent Price Drop (12)

#### Trim

Select Multiple

Sunbird LE (27)

Sunbird SE (16)

**Get a Quote Now**



#### 2016 Pontiac Sunbird SE

- Jazz Blue Pearlcoat
- RWD
- V6 3.6L
- Sedan

NEW 1 5

Great car at a great price! Price includes \$1,000 Trade-In Bonus. (Must trade '08 or newer.)

You'll be hard pressed to find a better car than this

[...Read More](#)

**\$23,999**

\$29,999 MSRP

\$6,000 savings

Brooklyn Park, MN

55445

23 Mi. Away

Email Seller


800-646-6222

*Price 'pushed' to website includes \$1,000 Trade-In Bonus. Disclosures are in close conjunction with price, but as the prominent price is not available "without condition," listing violates updated standard.*

**Acceptable** - Individual Dealer Site

Sort by ▼ Page 1 of 10 [Next](#)

### 2016 Pontiac Sunbird SE



Engine: 2.0L 4 Cylinder  
Transmission: CVT  
EPA-Est MPG<sup>6</sup>: 40/36  
Exterior Color: **Magnetic**  
Interior Color: **Charcoal Black**  
Stock #: 161139  
Vehicle Status: **In Stock**  
VIN: 1FADP5CU4GL10653

MSRP \$29,999  
Dealer Discount -\$3,000  
GM Rebates -\$2,000

---

Price: **\$24,999**

[Get ePrice](#)  
[View Window Sticker](#)

[Watch Video](#)

Manufacturer Offers<sup>10</sup>:  
[Retail Customer Cash](#)


Compare [View Details](#)

*Inventory page listings include only rebates / discounts available to all. Secondary reference to price with \$1,000 Trade-In Bonus made in text on Vehicle Details Page, with appropriate disclosures.*

**Unacceptable** - Individual Dealer Site

Sort by ▼ Page 1 of 10 [Next](#)

### 2016 Pontiac Sunbird SE



Engine: 2.0L 4 Cylinder  
Transmission: CVT  
EPA-Est MPG<sup>6</sup>: 40/36  
Exterior Color: **Magnetic**  
Interior Color: **Charcoal Black**  
Stock #: 161139  
Vehicle Status: **In Stock**  
VIN: 1FADP5CU4GL10653

MSRP \$29,999  
Dealer Discount -\$3,000  
GM Rebates -\$2,000  
Trade-In Bonus -\$1,000

---

Price: **\$23,999**

[Get ePrice](#)  
[View Window Sticker](#)

[Watch Video](#)

Manufacturer Offers<sup>10</sup>:  
[Retail Customer Cash](#)


Compare [View Details](#)

*Inventory page listing has factored in \$1,000 Trade-In Bonus, but most prominent price is not available "without condition."*



**Acceptable** - Individual Dealer site (with secondary price reference)

Sort by ▼ Page 1 of 10 [Next](#)



⇒ Watch Video

**2016 Pontiac Sunbird SE**

Engine: 2.0L 4 Cylinder  
 Transmission: CVT  
 EPA-Est MPG<sup>6</sup>: 40/36  
 Exterior Color: Magnetic  
 Interior Color: Charcoal Black  
 Stock #: 161139  
 Vehicle Status: In Stock  
 VIN: 1FADP5CU4GL10653

*Must trade 2008 or newer for Trade-In Bonus.*

Manufacturer Offers<sup>10</sup>:  
[Retail Customer Cash](#)

MSRP \$29,999  
 Dealer Discount -\$3,000  
 GM Rebates -\$2,000  
 -----  
 Price: **\$24,999**  
 Trade-In Bonus: -\$1,000  
 -----  
 As low as: \$23,999

[Get ePrice](#)


[View Window Sticker](#)

Compare [View Details](#)

*Listing incorporates secondary price reference, but most prominent price is available unconditionally. Disclosure for Trade-In Bonus is clear, conspicuous, and in immediate conjunction with \$1,000 discount.*

**Unacceptable** - Individual Dealer Site (with secondary price reference)

Sort by ▼ Page 1 of 10 [Next](#)



⇒ Watch Video

**2016 Pontiac Sunbird SE**

Engine: 2.0L 4 Cylinder  
 Transmission: CVT  
 EPA-Est MPG<sup>6</sup>: 40/36  
 Exterior Color: Magnetic  
 Interior Color: Charcoal Black  
 Stock #: 161139  
 Vehicle Status: In Stock  
 VIN: 1FADP5CU4GL10653

Manufacturer Offers<sup>10</sup>:  
[Retail Customer Cash](#)

MSRP \$29,999  
 Dealer Discount -\$3,000  
 GM Rebates -\$2,000  
 -----  
 Price: \$24,999  
 Trade-In Bonus: -\$1,000  
 -----  
 As low as: **\$23,999**

[Get ePrice](#)

[View Window Sticker](#)

Compare [View Details](#)

*Most prominent \$23,999 price not available "without condition," as it includes \$1,000 Trade-In Bonus.*




**Acceptable** - Individual Dealer Site ( with manufacturer finance cash in prominent price)

332 Vehicles matching: All Listings

Sort by ▼ Page 1 of 10 [Next](#)

### 2016 Pontiac Sunbird SE



|                            |                  |                  |                 |
|----------------------------|------------------|------------------|-----------------|
| Engine:                    | 2.0L 4 Cylinder  | MSRP             | \$29,999        |
| Transmission:              | CVT              | Dealer discount  | -\$2,000        |
| EPA-Est MPG <sup>6</sup> : | 40/36            | Rebates to all   | -\$2,000        |
| Exterior Color:            | Magnetic         | GM Finance Cash* | -\$1,000        |
| Interior Color:            | Charcoal Black   |                  |                 |
| Stock #:                   | 161139           | Sale Price       | <b>\$24,999</b> |
| Vehicle Status:            | In Stock         | Trade-in bonus** | -\$1,000        |
| VIN:                       | 1FADP5CU4GL10653 |                  |                 |

\* Must finance with GM; APR as low as 2.9% OAC As Low As: \$23,999

\*\* Must trade in 2010 or newer w / under 75K miles

Manufacturer Offers<sup>10</sup>:  
[Retail Customer Cash](#)

[Get ePrice](#)  
[View Window Sticker](#)

Compare [View Details](#)


Manufacturer finance cash broken out from other rebates, with “must finance” disclaimer and available APR in immediate conjunction. Disclosure for trade bonus clear, conspicuous, and in immediate conjunction with additional \$1,000 discount.

**Unacceptable** - Individual Dealer Site (with manufacturer finance cash in prominent price)

332 Vehicles matching: All Listings

Sort by ▼ Page 1 of 10 [Next](#)

### 2016 Pontiac Sunbird SE



|                            |                  |                  |                 |
|----------------------------|------------------|------------------|-----------------|
| Engine:                    | 2.0L 4 Cylinder  | MSRP             | \$29,999        |
| Transmission:              | CVT              | Dealer discount  | -\$2,000        |
| EPA-Est MPG <sup>6</sup> : | 40/36            | Rebates*         | -\$3,000        |
| Exterior Color:            | Magnetic         |                  |                 |
| Interior Color:            | Charcoal Black   |                  |                 |
| Stock #:                   | 161139           | Sale Price       | <b>\$24,999</b> |
| Vehicle Status:            | In Stock         | Trade-in bonus** | -\$1,000        |
| VIN:                       | 1FADP5CU4GL10653 |                  |                 |

\* Must finance with GM; APR as low as 2.9% OAC As Low As: \$23,999

\*\* Must trade in 2010 or newer w / under 75K miles

Manufacturer Offers<sup>10</sup>:  
[Retail Customer Cash](#)

[Get ePrice](#)  
[View Window Sticker](#)

Compare [View Details](#)

Though disclaimer notes “must finance” requirement, finance cash not broken out from other rebates – i.e., consumer unable to see amount of finance cash / how much of \$3,000 total rebates requires financing through manufacturer.

**4. Minimum Trade-In Allowances.** Since the amount of trade-in allowance will vary depending on the condition, model, and age of a buyer's vehicle, no specific trade-in amount or range of amounts shall be used in advertising.

**5. Disclosure of Material Facts.** When certain types of vehicles and transactions are advertised, either in print or electronic media, this standard requires disclosure of certain material facts. Any such disclosure must be made in a clear and conspicuous manner to minimize the possibility of misunderstanding by the audience. Factors to be taken into consideration include, but are not limited to, ad layout, headlines, illustrations, type size, contrast, crawl speed and editing. Commonly known abbreviations may be used in advertising, however, those not generally known shall be avoided.

An asterisk may be used to give additional information about a word or term. However, asterisks or other reference symbols should not be used as a means of contradicting or substantially changing the meaning of any advertised statements.

- a. **Used Vehicles** - Vehicles of the current and one preceding model year which are "used" shall be clearly and conspicuously identified as such in immediate conjunction with the model, model year or price designation contained in the ad. The term "rental return" is sufficient identification of used vehicle status.
- b. **Branded Titles and Defects** - Any advertisement for a vehicle with salvage history, buyback history, branded title, frame damage, defective core support or faulty airbag shall clearly and conspicuously disclose the brand, history or defect in immediate conjunction with the model, model year or price designation of the advertised vehicle.

**6. Invoice or Cost Ads.** This standard recognizes that the public is entitled to believe that the terms "invoice", "cost" and similar terms mean "net cost" without qualification.

The terms "invoice", "factory invoice" or "dealer invoice" shall not be used as a reference price (such as "\$100 over invoice") unless the invoice price is the actual net cost to the dealer, or unless the amount shown relating to the reference price is the maximum total of all dealer holdback, advertising rebates, incentives, rebates or other costs not directly associated with the price of the vehicle as delivered to the dealer and the amount advertised over invoice.

The term "cost", "dealer cost", or other similar terms shall not be used as a reference price unless it reflects the actual net cost to the dealer. "Actual net cost" equals invoice cost less the maximum total of all dealer holdback, advertising rebates, incentives, rebates or other costs not directly associated with the price of the vehicle as delivered to the dealer.

Examples: \$599 Over Invoice

\$650 Over Cost

Because these prices reflect actual net cost, no further qualification is required in advertising.

## 7. Advertising Credit and Lease Terms.

### Credit Advertisements

When advertising consumer credit terms, the Annual Percentage Rate, "APR", may be stated alone without disclosing other terms of credit.

**Triggering Terms.** However, if any of these five terms are used, additional disclosures are required:

1. The amount of any finance charge
2. The amount of the down payment expressed as a percentage or dollar amount
3. The amount of any payment expressed as a percentage or dollar amount
4. The number of payments
5. The period of repayment (i.e. the total time required to repay)

**Triggered Disclosures.** If a closed-end credit ad contains a triggering term, all three of the following disclosures must be made.

1. The amount or percentage of the down payment;
2. The terms of repayment; Repayment terms can be expressed by the exact repayment schedule or in a variety of ways. As an example, a dealer who offers a loan might advertise terms: "48 monthly payments of \$25 per \$1000 borrowed."
3. The "annual percentage rate".

### Lease Advertisements

**Advertising Covered.** Any message that invites, offers or announces to the public the availability of a consumer lease, whether in visual, oral or print (including electronic) media is covered. That includes:

- Messages in newspapers, magazines, leaflets, catalogs, and fliers;
- Messages on radio, television and public address systems;
- Direct mail;
- Telephone solicitations;
- Signs or displays; and
- Online information, such as the Internet.

**Clear and conspicuous disclosures.** The required disclosures in your ad must be reasonably understandable. That is, consumers must be able to see and read or hear, and understand, the information. Many factors, including the size, duration and location of the required disclosures, and the background or other information in the ad, can affect whether the information is clear and conspicuous. This requirement applies to all mandatory disclosures, including those offered through a toll-free (or collect or local) telephone number.

### Terms that trigger additional lease disclosures.

- A statement of any capitalized cost reduction or other payment required before or at lease consummation, or by delivery if delivery takes place after consummation, or that no payment is required - or
- The amount of any payment.

**If a triggering term is used**, the ad must include these disclosures clearly and conspicuously:

- That the transaction advertised is a lease,
- The total amount due before or at consummation, or by delivery if delivery takes place after consummation,
- The number, amounts and due dates or periods of scheduled payments under the lease,
- Whether or not a security deposit is required, and
- In leases where the consumer's liability is based on the difference between the property's residual value and its realized value at the end of the lease term, that an extra charge may be imposed at the end of the lease term.

**Rules that apply to the total amount due at consummation or delivery.**

- The total amount due at consummation or delivery must be stated. If you also choose to itemize the total amount due at consummation or delivery, the total amount due at consummation or delivery must still be clear and conspicuous, that is, readable and understandable to consumers.
- Except for the periodic payment, any positive or negative reference to a charge that is part of the total amount due at consummation or delivery cannot be more prominent than the total amount due at consummation or delivery.
- If third-party fees that vary by state or locality - such as taxes, license or registration - are involved, your ad may give a total amount due at consummation or delivery including the fees based on a particular state or locality while explaining that fact and the fact that such fees vary by state or locality or, exclude the fees from the total amount due at consummation or delivery but disclose that fact. The disclosures about third-party fees also must be clear and conspicuous.

**Special options for radio and TV lease ads.** The triggering terms and required disclosures described above apply to all lease ads. But, if your radio or TV ad refers clearly and conspicuously to a toll-free (or collect or local) phone number through which consumers can obtain the required lease information, and if you follow certain procedures, you can somewhat limit the information provided in your radio or TV ad. To use this approach, your radio or TV ad still must clearly and conspicuously state:

- That the transaction advertised is a lease,
- The total amount due before or at consummation, or by delivery if delivery occurs after consummation, and
- The number, amounts, and due dates or periods of scheduled payments under the lease.

Your radio or TV ad also must clearly and conspicuously indicate that consumers can get all the required disclosures through the toll-free (or collect or local) phone number or print ad. Your radio or TV ad also must include the publication's name and date.

**Lease Interest Rate Disclosure.** Until a generally accepted standard is adopted for motor vehicle lease interest rate calculation and comparison, no advertisement to promote a motor vehicle lease may refer to lease interest, lease interest rate, lease interest factor, cost of money factor or similar terms.

Acceptable Credit Advertisement:

2016 Pontiac Sunbird for \$289 per month

\$1500 down. 36 monthly payments. 6% APR. Tax, Title, License and Document Fee not included. On Approved Credit

Acceptable Lease Advertisements:

Print Lease Ad - 2016 Pontiac Sunbird

\$1500 due at lease signing. Lease for \$445 per month for 48 months. No security deposit. 15,000 annual miles. Plus Tax, Title, License and Document Fee. On Approved Credit

Radio Lease Ad – Stop by Spectacular Motors! We have 30 Pontiac Sunbirds available for lease! \$1500 due at lease signing and only \$445 a month for 48 months!  
Call 888-111-1234 for additional details about this lease offer!

**8. Rebate Offers.** The terms "rebate", "cash rebate", or similar terms may be used only when payment of money will be made by the retailer or manufacturer to a purchaser after the sale, and the advertising should make clear who is making the payment. See Standard 3 for possible additional disclosures.

**9. Free Offer.** The word "free" may be used in advertising whenever the advertiser is offering an unconditional gift. If receipt of the "free" merchandise or service is conditional on a purchase:

- a. The normal price of the merchandise or service to be purchased must not have been increased nor its quantity or quality reduced. A "normal price" is not established if vehicles are usually sold at a price negotiated rather than an established regular (normal) price;
- b. The advertiser must disclose this condition clearly and conspicuously together with the "free" offer (not by placing an asterisk or symbol next to "free" and referring to the condition(s) in a footnote); and
- c. The "free" offer must be temporary; otherwise, it would become a continuous combination offer, no part of which is free.

**10. Buy-Down Interest Rates.** No buy-down interest rate may be offered if any of the costs of securing the buy-down are passed onto the customer in any way.

**11. Price Equaling.** An advertisement which expresses a policy of matching or bettering competitors' prices should fully disclose any conditions which apply and specify what evidence a consumer must present to take advantage of the offer. Such evidence should not place an unreasonable burden on the consumer such as producing a signed contract from another dealer or requiring the consumer to find a vehicle with such identical features that the possibility of doing so is highly unlikely.

**12. Origin or Prior Use of Used Vehicles.** If an ad for a used vehicle of the current and one preceding model year contains any reference to the origin or prior use of the vehicle, the ad must clearly and conspicuously disclose the specific origin or prior use (i.e. rental return, taxi cab, etc.) in immediate conjunction with the model, model year or price designation contained in the ad.

**13. Rental Return Vehicles.** Dealers shall affirmatively disclose the prior use of all vehicles of the current and one preceding model year known by the dealer to be rental return vehicles by affixing a window label immediately adjacent to the FTC Buyers Guide which clearly and conspicuously discloses the prior use of the vehicle in rental service.

**14. One Price Advertising.** "One price," "set price," "no haggle," "fixed price," "firm price," "non-negotiable price" and similar terms shall mean that the dealer will maintain the same non-negotiable prices for all customers for the same vehicles, and that such prices will not change unless a general price adjustment is made for all customers. Other advertised terms, phrases or campaigns may also lead a reasonable customer to believe that the dealership is a one price dealership.

A One Price dealer may not alter or negotiate the vehicle price offered in a particular transaction. Altering a vehicle price includes "reappraising" a trade-in vehicle, changing the terms of sale, or changing vehicle features or options where the effect is to alter the net offered price.

Example of advertising that suggests a one price dealership:

|   |
|---|
| No Hagglng! No Negotiations! The only discussion is which car works best for you! |
|---|

**15. Discount Certificates and Coupons.** Advertising may not state that a dealer accepts discount certificates or coupons not issued by a motor vehicle manufacturer as a reduction of the purchase price or as a down payment for a motor vehicle unless the selling price of the advertised vehicle is an established regular price not arrived at through a negotiation.

A discount certificate or coupon, which uses a manufacturer's rebate or other manufacturer incentive as a fulfillment, must clearly and conspicuously disclose the involvement of the manufacturer and any eligibility conditions to obtain the incentive.



**16. Advertiser Identification.** Advertisers may not use motor vehicle manufacturer names or logos on direct mail pieces or other advertisements in any fashion which falsely suggests that the manufacturer is sponsoring or specially recommending a particular sales event or dealer or that the manufacturer is conducting the mailing on behalf of the dealer.

The name and address of each dealer sponsoring a promotion must be clearly and conspicuously disclosed in the advertisement or mailing.

**17. Acquisition Sales.** No advertisement may mislead a consumer about the source or ownership of an advertised vehicle or the true nature of the advertised transaction. For example, a dealer may not advertise an "acquisition sale" or the terms "acquisition fee" or "take over payments" if the ad falsely conveys the impression that a prospective customer would assume the obligations and/or equity of a current seller or owner under an existing credit sale or lease. Since the term "acquisition fee" is associated with lease transactions, it should not be used to describe a "down payment" quoted in a credit sale advertisement.

### **18. Superlative Claims.**

**Subjective** superlative claims are expressions of opinion or personal evaluation. For example, "ABC Motors is your best choice when looking for a new car." Such opinions, statements of corporate pride and promises are considered "puffery" and not subject to test of their truth and accuracy. Subjective superlative statements, which are not misleading, are permitted.

**Objective** superlative claims are statements of fact that can be proved or disproved. For example, "ABC Motors has the largest inventory of used vehicles in Minnesota." Such claims shall not be used unless the advertiser can reasonably substantiate the claim.

Some objective claims may be impossible to reasonable substantiate. For example, "ABC Motors has the lowest prices in Minnesota." Such statements are not permitted.

### **19. Misleading Credit Availability Claims.**

Credit availability claims shall not be used unless true. For example, "ABC Motors can finance everyone – regardless of credit history" may not be used unless consumer credit will be extended to anyone regardless of the person's credit worthiness or financial ability to pay.

Misleading credit availability claims – even though literally true – are not permitted. For example, "All credit applications accepted" may be literally true, but a reasonable consumer may be misled to believe that credit will be extended regardless of their credit worthiness.

It is not permissible for an advertiser to substantiate a credit availability claim with credit offerings in unreasonable amounts or on unreasonable terms. A credit offering is not reasonably available unless the advertiser is willing to finance at least 1/3 of the purchase price of an offered vehicle.

No advertisement may contain misrepresentations, misleading statements, or create the likelihood of confusion or misunderstanding that an automobile financing offer:

- a. is only available to specified or limited number of consumers, when it is not; or
- b. is available for "THIS WEEK ONLY" or a limited time, when it is not; or
- c. is from or approved by the United States Bankruptcy Court, the State of Minnesota or any other governmental agency or unit. The use of official looking seals, emblems, photos, graphics or other symbols of government that suggest official approval or sponsorship is prohibited.

**20. Dealer Warranties.** If a dealer advertises warranty coverage that provides for less coverage than a typical factory "bumper to bumper" warranty, the advertisement shall clearly and conspicuously disclose the limitation in immediate conjunction with the prominent warranty reference. For example "All our cars come with a 5-Year Power Train Warranty" - not "All our cars come with a 5-Year Warranty."

Look to the BBB Code of Advertising for additional guidance on warranty advertising.