

D-02-18-02

Date: February 15, 2018
Bulletin: All Dealers
From: Business Licensing and Consumer Services
RE: Advertising Guidelines for Dealers

The MDOT MVA has partnered with members from the dealer community and advocates for consumer rights to create an easy to follow checklist of guidelines for dealer advertising. The guidelines are a representation of the most common advertising questions discussed and provide clarification for each topic. The guidelines are not exhaustive in that there may be other federal, state, and local laws governing advertisements.

Please ensure any advertising by your dealership conforms to these guidelines, as they will be a reference for auditing and complaint investigations.

The guidelines include links to the National Automobile Dealers Association dealer guide to federal advertising requirements (<https://www.nada.org/workarea/DownloadAsset.aspx?id=21474839409>) and the Federal Trade Commission publication on effective disclosures online (<https://www.ftc.gov/tips-advice/business-center/guidance/com-disclosures-how-make-effective-disclosures-digital>). These publications are extremely useful in offering visual examples of proper and improper advertising.

We recommend using all of these resources at your disposal to avoid any advertising concerns.

If you have any questions or concerns, please contact us at (410) 787-2950 or email at mvablcsd@mva.maryland.gov.

MDOT MVA CHECKLIST OF GUIDELINES FOR DEALER ADVERTISING

Terms and Conditions

- Material terms are clearly disclosed and the advertisement does not include any contradicting statements. (A term is “material” if it is important to consumers and is, therefore, likely to affect their choice or conduct when purchasing a vehicle).

Format

- All statements and required disclosures are clearly and conspicuously provided to the consumer within the advertisement to avoid deception.

(<https://www.ftc.gov/tips-advice/business-center/guidance/com-disclosures-how-make-effective-disclosures-digital>)

Price Display

- The most prominent price displayed must include any dealer processing and/or freight charge passed on to the consumer *unless* the dealer discloses the amount of the dealer processing and/or freight charge using at least 10-point bold font in close proximity. Price may *ONLY* exclude the freight, dealer processing, taxes, and title fees payable to the state when properly disclosed.

Availability of Vehicle

- If limited stock is available, the exact number of vehicles available at the advertised price must be disclosed.

Credit Offers for Vehicle Purchases

- Any credit terms advertised must be truthful, actually available, and include any qualifying terms.

Trade-In Offers

- Any trade-in conditions must be clearly disclosed.
- Advertisements cannot make a representation alone that the dealer will pay off a consumer’s trade no matter what they owe.

Price Conditions

- The most prominent price displayed cannot be a price included after a down payment, trade, or a price that is not available to everyone.

Promotional

- Promotional giveaways cannot require a potential consumer to make a purchase, pay money, or test drive a vehicle to receive the item advertised as being free.

Leased Vehicles

- Leased vehicles require disclosures that the transaction is a lease, the total amount due at lease signing, and amount and timing of scheduled payments.

MDOT MVA compiled the above guidelines to serve as a quick reference guide clarifying some advertising practices that are potentially deceptive or misleading. This list is not meant to be exhaustive, as there are other federal, state, and local laws that apply to advertisements that dealers should also consider when developing advertisements.

The NADA publication “*Driven*” contains further discussion of deceptive advertising practices as well as visual examples with explanations that may provide more clarity.

(<https://www.nada.org/workarea/DownloadAsset.aspx?id=21474839409>)