

ADVERTISING RULES

The Dealer **CANNOT**

- List vehicles that are unavailable for sale.
- State untrue or misleading “pre approval” claims.
- Imply the ability or willingness to finance everyone.
- Provide guaranteed trade-in allowance & trade payoff promises without a disclosure that negative equity will be added to loan/lease balance.
- Claim a product or dealership is endorsed or associated with the US government or military.
- Have “View Details”, “Important Information”, or similar links that need to be clicked to see disclaimer language.
- Make misleading statements about export or transportation rules.
- “Speed read” disclosures in radio and television advertisements.

OFFERING PRICE RULES

The Dealer **CANNOT**

- Use “call for details”, “unlock price”, or similar in lieu of an “offering price” in a vehicle advertisement.
- Provide “MSRP only” advertising that doesn’t include the actual asking price.
- Sell above the MSRP unless the specific asking price is listed in the ad.
- Exclude doc fees, mandatory add-ons, filing charges, or other non-governmental fees from the advertised price.
- Include rebates that all customers wouldn’t qualify for, such as “high credit score” rebates, in the advertised price, unless clearly disclosed.
- Respond to a consumer’s inquiry about a specific vehicle without including the “offering price.”
- Advertise finance or purchase specials for a group of vehicles without showing the vehicle’s “offering price.”
- Display the monthly payment in a formula such as “\$XX.XX per month per \$1,000 financed” in finance specials.

MONTHLY PAYMENT ‘TRIGGER TERM’ RULES

The Dealer **CANNOT**

- Display a monthly payment without disclosing (1) the total amount the customer will pay after making all payments and (2) the total amount due at signing or downpayment.
- Compare two monthly payments with varying amounts without a clear disclosure that the customer will pay more over the life of the loan of the lower payment.

ADD-ON RULES

The Dealer **CANNOT**

- Exclude pre-loaded “mandatory” dealer add-ons from the advertised price.
- Include or charge for “optional” add-ons without (1) a clear and conspicuous disclosure stating that the add-ons are optional and (2) not required for vehicle purchase/finance/lease.
- Advertise add-ons that provide no benefit.
- Sell GAP when there is no value to customer (low LTV ratio) or GAP terms exclude the customer’s locality.
- *Vendor Tip: Consider negotiating with add-on product providers to indemnify your dealership. Ensure they represent the benefits of their products and confirm their compliance with the CARS Rule.*

ADD-ONS & DEALER FEES FORM

The Dealer **MUST** use a disclosure form that includes the following:

- Price of each add-on and any other dealer fees
- Description of each charge
- Initials next to each charge
- Whether each add-on is optional or mandatory
- Total cost with and without each add-ons
- Clear disclosure that optional add-ons do not need to be purchased
- Clear disclosure that GAP is not necessary to obtain financing
- Customer signature at the bottom

RECORD RETENTION RULES CHECKLIST

The Dealer **MUST** keep for 24 months

- F&I training materials and sales scripts
- Advertising and marketing materials
- Backups and exports from social media services, email platforms, chat platforms, and texting systems
- All written communications, including email, text, and CRM communications between customer and sales staff for consummated transactions
- Finance & lease paperwork signed by the customer, whether or not the deal is consummated
- LTV calculations, such as in GAP contracts or credit applications submitted to banks
- Copies of all products and add-on paperwork and contracts
- Copies of all consumer complaints, including those on social media
- Copies of all inquiries related to vehicle and add-ons

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By leveraging the tools and features provided by Dealerslink, you can ensure your dealership stays in compliance with the upcoming CARS Rule.

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