2026

FTC UPDATES

Informing our Independent Dealers on the new FTC changes and guiding them in the best ethical direction.

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For more information:

www.viada.org
https://www.ftc.gov/

01

STRICT "ALL-IN" PRICING
WHAT YOU NEED TO KNOW

The FTC has put the industry on notice that the advertised price must be the price the customer pays. The advertised price must be the most prominent price shown. The FTC expects customers to be able to seamlessly comparison shop.

Mandatory Fee

Documentation (doc) fees, electronic filing fees, dealer prep, and "market adjustments" must be factored into the advertised price if the consumer cannot walk out without paying them.

Conditional Pricing

You cannot advertise a price that is only available if the buyer uses your dealership financing, or apply hidden rebates/discounts that only a fraction of buyers actually qualify for.

Exemptions

The only fees that can be excluded from the advertised upfront price are government-imposed taxes, title, and registration.

Add-Ons and "Junk Fees"

The FTC is cracking down on how optional products are sold.

- No HIDDEN cost
- Express informed consent

02 EXAMPLES OF COMPLIANT AND DECEPTIVE PRACTICES

The following pages provide an overview of compliant and deceptive advertising practices, accompanied by practical examples illustrating acceptable advertising methods and common violations. This guide is intended to help dealerships develop advertising that is truthful, transparent, and compliant with applicable federal and state regulations.

Suggested Price/Discount

Total Pricing vs. Hidden Fees

Finance Conditions & Down Payments

Stacked / Conditional Rebates

Disclaimer:

This guide is provided by the Virginia Independent Automobile Dealers Association (VIADA) for educational purposes only and includes examples intended to help dealerships understand and maintain compliance with FTC advertising requirements. VIADA assumes no responsibility or liability for the misuse, misinterpretation, or application of the information contained in this guide, and dealerships remain solely responsible for ensuring their advertising complies with all applicable laws and regulations.

EXAMPLE # 1
COMPLIANT (FTC APPROVED)

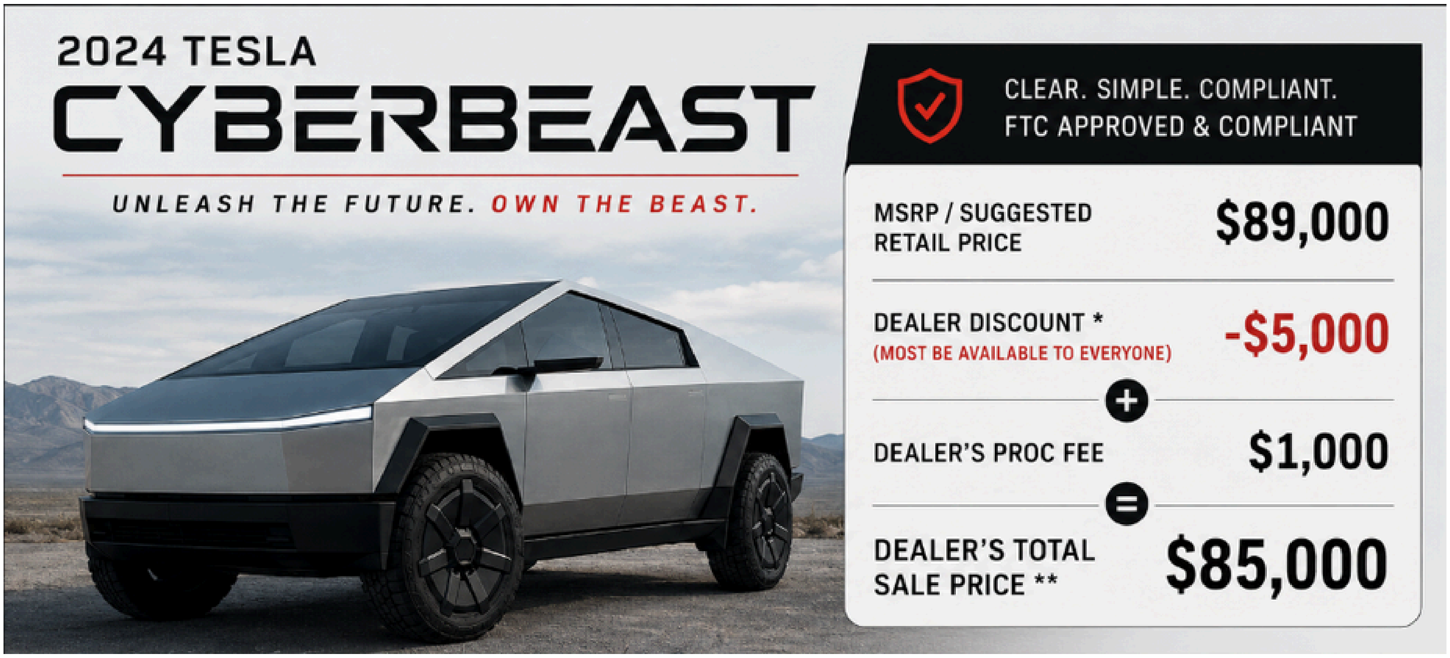
"2024 Tesla CyberBeast MSRP/ Suggested Retail Price $89,000!"

DEALER DISCOUNT

- $5,000 (Must be available to EVERYONE)

DEALER'S PROCESSING FEE

- $1,000



ETHICAL PRACTICES

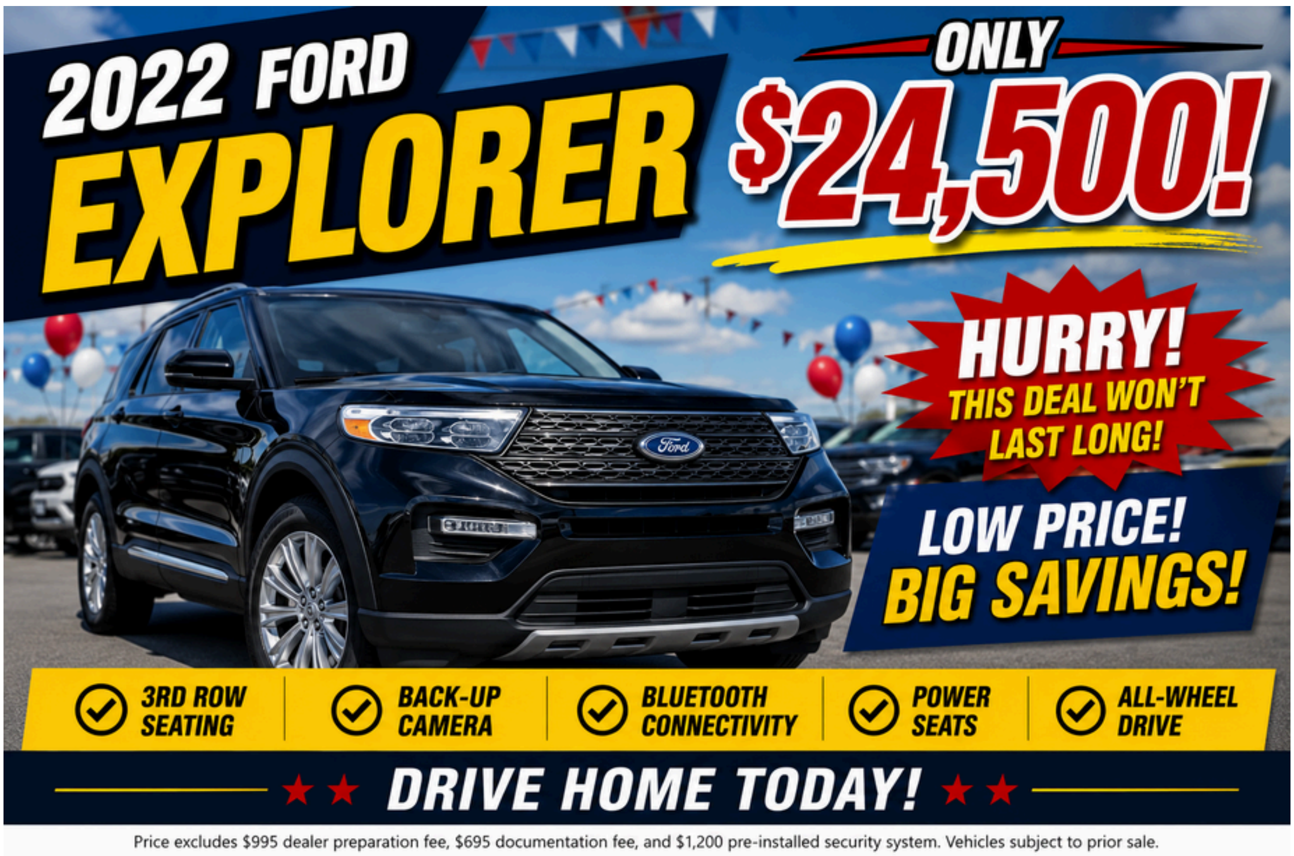
- Dealers Total Sale Price ***$85,000!" (If there are no discounts the Dealer Processing Fee must be included in the Suggested Retail Price**
- Dealers Total Price **does not include** government fees such as Tax, Tag/Title, and Electronic Titling filing fee.

EXAMPLE # 2 TOTAL PRICING VS HIDDEN FEES

DECEPTIVE (VIOLATES FTC ACT)

04

Many dealerships make the mistake of hiding dealer-required, nonnegotiable fees in fine print."



WHY IT FAILS

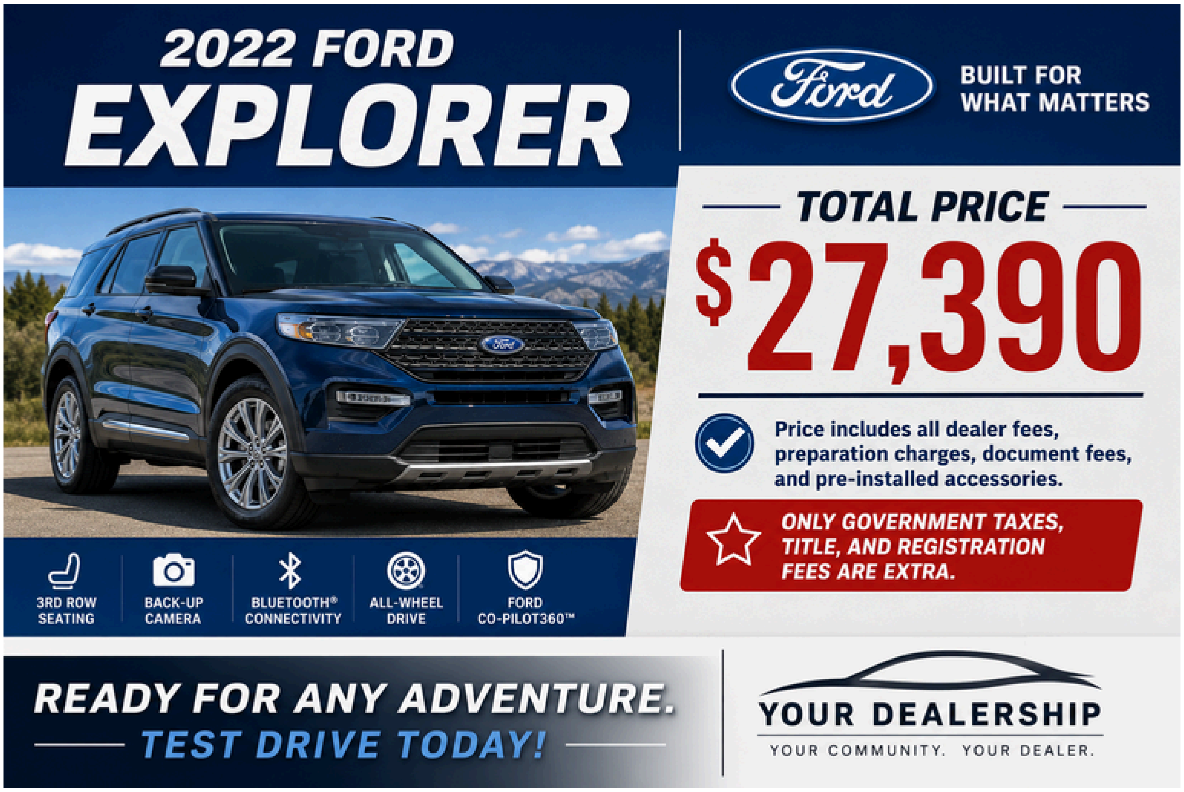
- The dealer is utilizing "partial pricing". If a consumer cannot buy the car for $24,500 because the prep, doc, and security fees are required by the dealership, the headline price is illegal bait-and-switch.

EXAMPLE # 2 TOTAL PRICING VS HIDDEN FEES

COMPLIANT (FTC APPROVED)

05

"2022 Ford Explorer – $27,390" "Price includes all dealer fees, preparation charges, document fees, and pre-installed accessories. Only government taxes, title, and registration fees are extra."



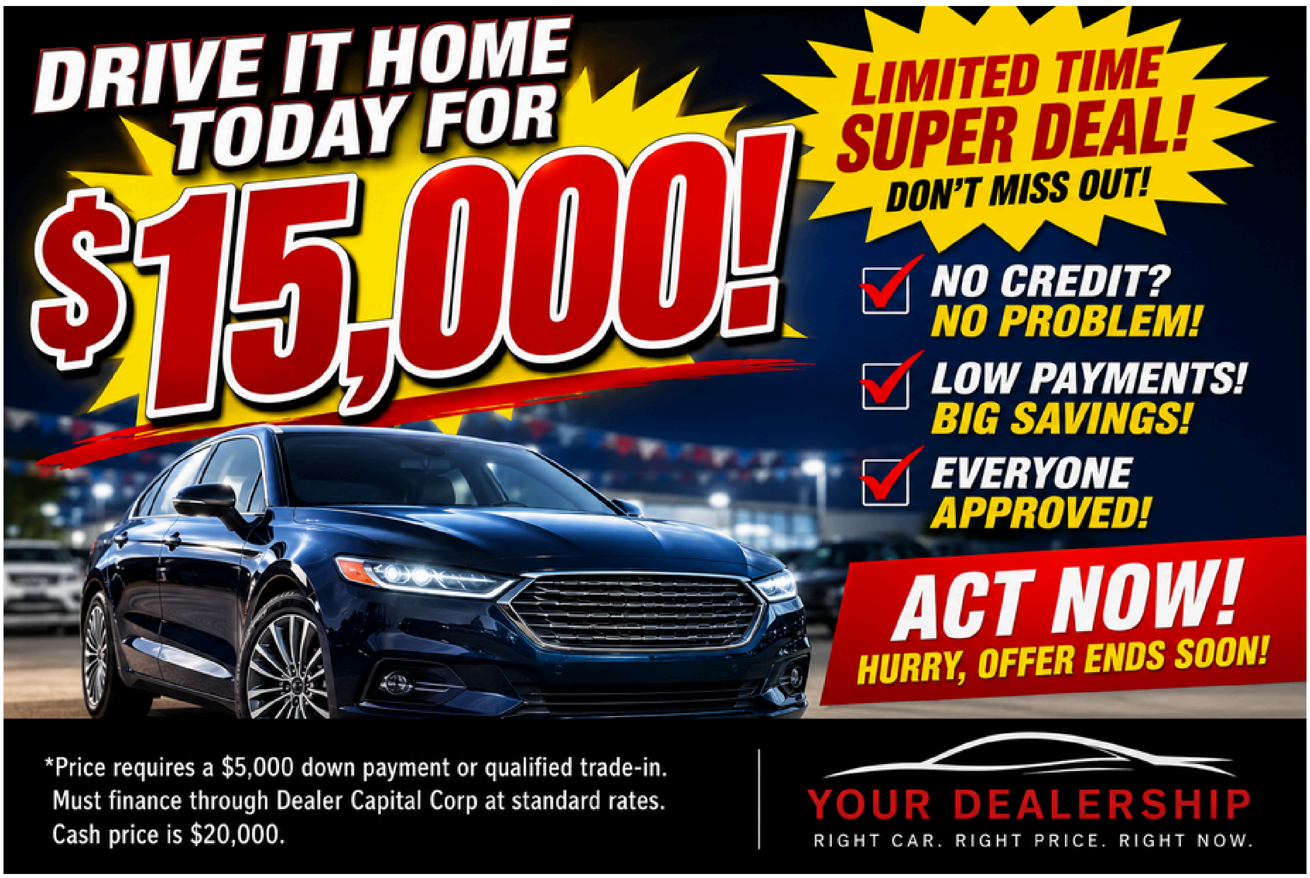
WHY IT PASSES

- The headline price represents the actual minimum total the consumer must pay to drive the car off the lot (excluding state taxes/tags).

06 EXAMPLE # 3 FINANCING CONDITIONS & DOWN PAYMENTS

DECEPTIVE (VIOLATES FTC ACT)

Advertising a low price that is secretly dependent on specific financing terms or massive down payments is heavily scrutinized.



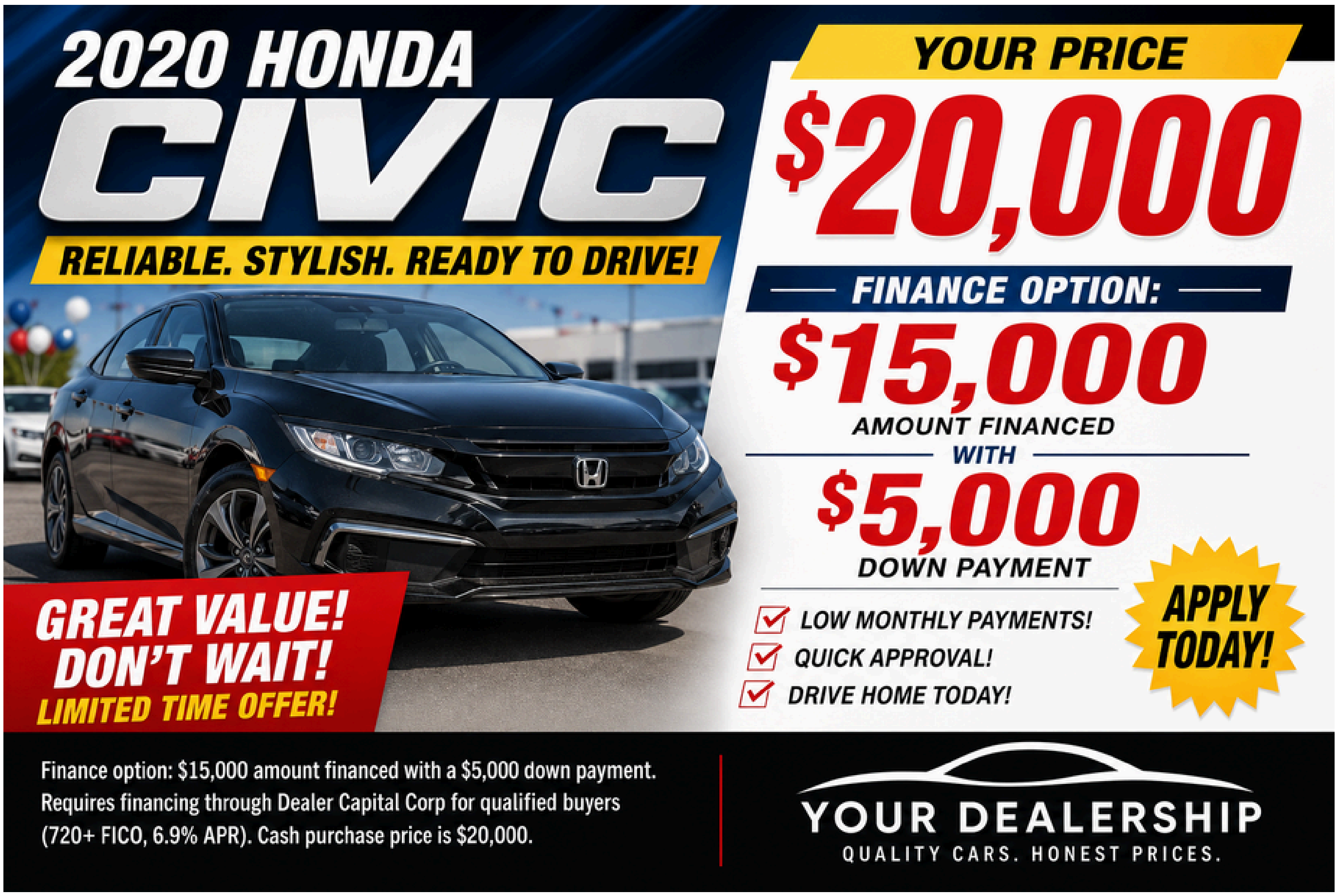
WHY IT FAILS

- The $15,000 headline price is a lie. It hides a mandatory $5,000 out-of-pocket cost and forces the buyer into dealer-controlled financing.

07 EXAMPLE # 3 FINANCING CONDITIONS & DOWN PAYMENTS

COMPLIANT (FTC APPROVED)

"2020 Honda Civic – $20,000" "Finance option: $15,000 amount financed with a $5,000 down payment. Requires financing through Dealer Capital Corp for qualified buyers (720+ FICO, 6.9% APR). Cash purchase price is $20,000."



WHY IT PASSES

- The true purchase price ($20,000) is clear. The financing terms and the required down payment are presented transparently without misleading mathematics.

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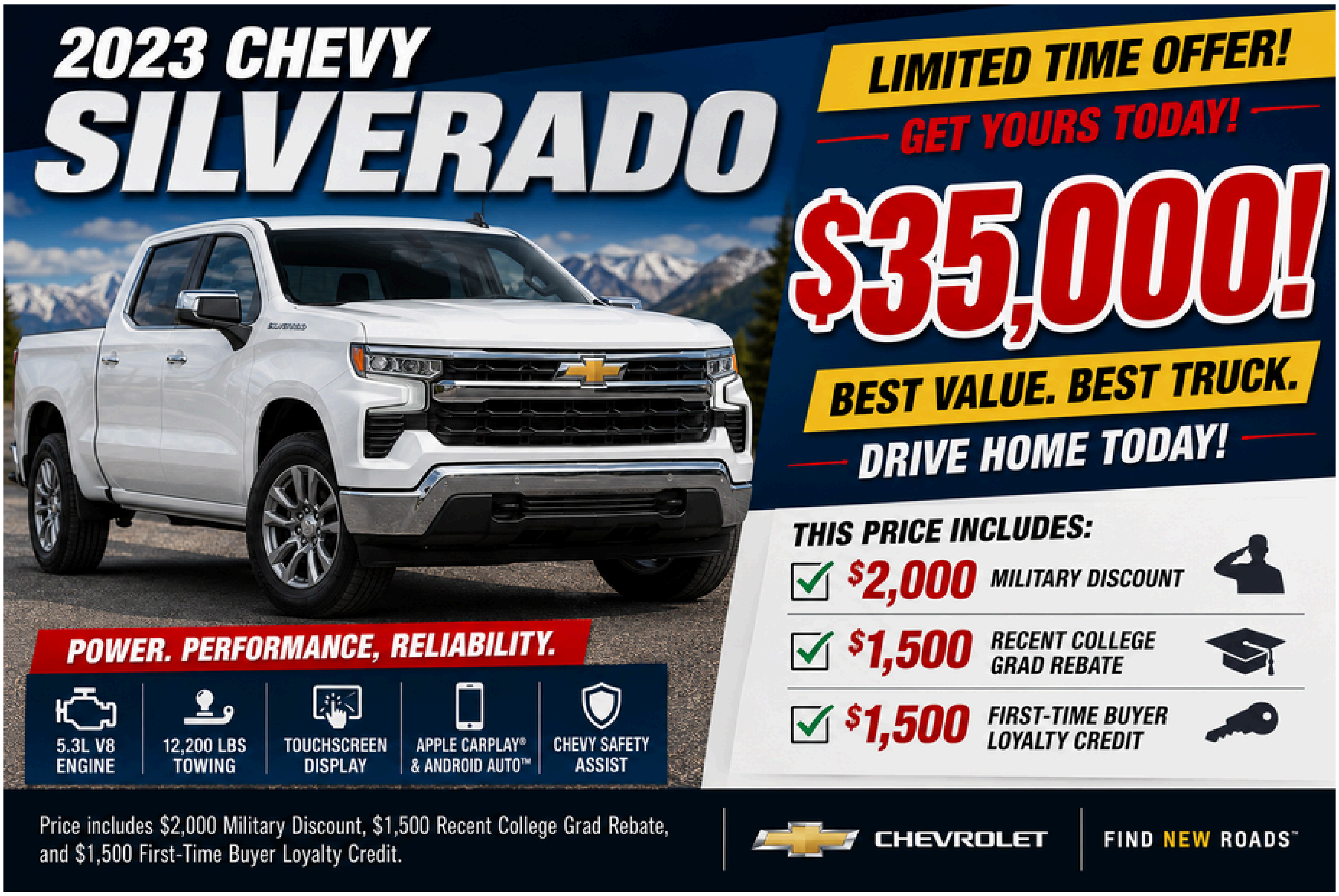
EXAMPLE # 4 STACKED / CONDITIONAL REBATES

DECEPTIVE (VIOLATES FTC ACT)

Dealers cannot advertise "catch-all" prices using discounts that the vast majority of shoppers will not qualify for.



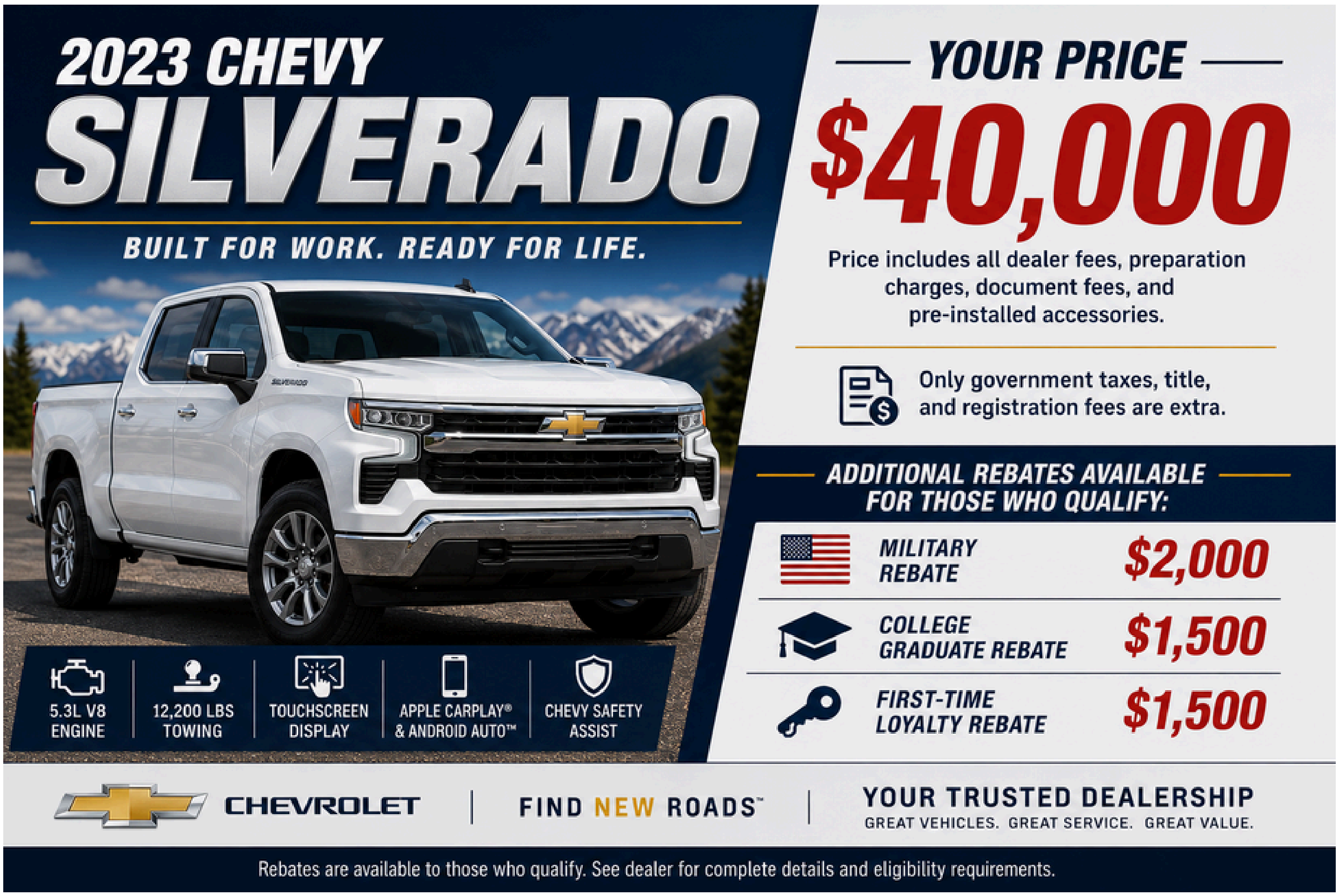
WHY IT FAILS

- These rebates are mutually exclusive or highly specific. A consumer cannot realistically be a recent college grad, an active-duty military member, and a first-time buyer all at once.

09 EXAMPLE # 4 STACKED / CONDITIONAL REBATES

COMPLIANT (FTC APPROVED)

"2023 Chevy Silverado – $40,000" "Additional rebates available for those who qualify: Military ($2,000), College Graduate ($1,500), or First-Time Loyalty ($1,500)."



WHY IT PASSES

- The base advertised price is attainable by any retail buyer. Conditional discounts are treated as potential bonuses, not baked into the main price.

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FTC WARNS 97 AUTO DEALERSHIPS AND DEALER GROUPS ABOUT DECEPTIVE PRICING

The Letters

The letters focused on online pricing practices — specifically, doc fees and add-ons not disclosed upfront in vehicle listings.

Third Party

The dealer is responsible when a third-party platform shows the wrong pricing.

AI & the FTC

AI platforms use artificial intelligence to scrape and audit out-the-door price quotes online, catching dealers violating these federal rules and using that data to publicly "grade" them

CARS Rule

The CARS Rule was vacated following a challenge led by NADA, but many of the obligations contemplated in the rule are still covered by Section 5 of the FTC Act

TRUTH IN ONLINE LISTINGS AND RESPONSIBILITIES

ACCURATE LISTINGS

Ensure all your online vehicle listings are accurate and include clear breakdowns of costs.

UNAVAILABLE INVENTORY

Advertising unavailable or nonexistent vehicles to lure buyers onto the lot (bait-and-switch) is a direct violation of the FTC Act

VEHICLE REMOVAL

Remove vehicle listings from your website and third-party platforms as soon as they are sold to prevent deceptive advertising claims.

HAVE MORE QUESTIONS???

CONTACT US

VIRGINIA INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

VIADA

Symbol of Quality

At VIADA, we are here to educate, inform, and represent Virginia's independent dealers. We are your partner, your advocate, and your resource. Together, we are stronger, and together, we drive the success of Virginia's independent dealer community.

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