
Motor Vehicle Dealer Board Rebate Advertising Guidelines March 2015

Many of the rebates and incentives offered by manufacturers are not available to everyone. As such, it is misleading and confusing to advertise a vehicle for a price that includes rebates and incentives that everyone is not qualified to receive, or if incentives are mutually exclusive. (Example: \$1,000 loyalty rebate and \$1,000 first time buyer rebate). Adding a “disclaimer” that requires consumers to determine what incentives and rebates they qualify for, does not “fix” the fact that the advertised price does not readily apply to everyone.

When advertising a price of a vehicle (Including on the Dealer’s WEB site.) the advertised price must be based on rebates/incentives that are available to ALL purchasers, or it must be clear and conspicuous to the reader which rebates, incentives and discounts would apply in their purchase...

We recommend the following format for advertising rebates, incentives and discounts that are not available to all:



Smith Motors

MSRP: \$25,000

Discounts: \$ 1,500*

Military Rebate: \$ 500**

College Grad \$ 500**

Smith Motors Price \$22,500***

Standard Features include:

Horn
Special Red Wheels
Wood steering wheel
Windshield wipers
Spare Tire

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*Discount includes \$1,000 Acme Rebate for qualified buyers who finance through Acme financing and \$500 Smith Motors discount.
**To qualify for \$500 military rebate, you or your spouse must be an active military member or have received an honorable discharge within the last 2 years. To qualify for College Grad Rebate, you or your spouse must have graduated from an accredited two or four year college within the last 2 years.
***Price does not include \$399 processing fee; \$900 freight, taxes and registration fees.

In the above example, if the manufacturer offered a rebate of \$750 in lieu of the \$1,000 finance rebate, currently used in the discount, you would *not* be able to list both rebates, since they are mutually exclusive.

The above is a guideline. If you advertise a price, and purchasers must meet specific criteria to get those discounts, the conditions required to receive those discounts must be clear and conspicuous. Merely listing the rebates/incentives/discounts in a disclaimer or stating something to the effect that “not everyone will qualify for the advertised price” is not adequate. If the advertised price only includes rebates/incentives/discounts that are available to everyone; all you must do is list the rebates/incentives/discounts in your disclaimer.

The Federal Trade Commission (FTC) has strict advertising guidelines. Our guidelines may or not meet the FTC guidelines. Recently the NADA published a set of Advertising Guidelines. To review these guidelines visit https://www.dealercounsel.com/sites/default/files/news_release/2015/02/nada-dealer-advertising-guide-1-15.pdf .

In addition, finance incentives provided by the manufacturer are considered available to all, and can be listed in the disclaimer area with freight charges and dealer processing fee.

As a reminder, the processing fee and freight (when applicable), must be disclosed in an actual dollar amount, not just listed as “Price does not include processing fee or freight”.