

TITLE 15 - COMMERCE AND TRADE
CHAPTER 41 - CONSUMER CREDIT PROTECTION
SUBCHAPTER I - CONSUMER CREDIT COST DISCLOSURE
Part E - Consumer Leases

§ 1667c. Consumer lease advertising; liability of advertising media

(a) In general

If an advertisement for a consumer lease includes a statement of the amount of any payment or a statement that any or no initial payment is required, the advertisement shall clearly and conspicuously state, as applicable—

- (1) the transaction advertised is a lease;
- (2) the total amount of any initial payments required on or before consummation of the lease or delivery of the property, whichever is later;
- (3) that a security deposit is required;
- (4) the number, amount, and timing of scheduled payments; and
- (5) with respect to a lease in which the liability of the consumer at the end of the lease term is based on the anticipated residual value of the property, that an extra charge may be imposed at the end of the lease term.

(b) Advertising medium not liable

No owner or employee of any entity that serves as a medium in which an advertisement appears or through which an advertisement is disseminated, shall be liable under this section.

(c) Radio advertisements

(1) In general

An advertisement by radio broadcast to aid, promote, or assist, directly or indirectly, any consumer lease shall be deemed to be in compliance with the requirements of subsection (a) of this section if such advertisement clearly and conspicuously—

- (A) states the information required by paragraphs (1) and (2) of subsection (a) of this section;
- (B) states the number, amounts, due dates or periods of scheduled payments, and the total of such payments under the lease;
- (C) includes—

(i) a referral to—

- (I) a toll-free telephone number established in accordance with paragraph (2) that may be used by consumers to obtain the information required under subsection (a) of this section; or**
- (II) a written advertisement that—**

(aa) appears in a publication in general circulation in the community served by the radio station on which such advertisement is broadcast during the period beginning 3 days before any such broadcast and ending 10 days after such broadcast; and

(bb) includes the information required to be disclosed under subsection (a) of this section; and

(ii) the name and dates of any publication referred to in clause (i)(II); and

(D) includes any other information which the Board determines necessary to carry out this part.

(2) Establishment of toll-free number

(A) In general

In the case of a radio broadcast advertisement described in paragraph (1) that includes a referral to a toll-free telephone number, the lessor who offers the consumer lease shall—

- (i) establish such a toll-free telephone number not later than the date on which the advertisement including the referral is broadcast;
- (ii) maintain such telephone number for a period of not less than 10 days, beginning on the date of any such broadcast; and
- (iii) provide the information required under subsection (a) of this section with respect to the lease to any person who calls such number.

(B) Form of information

The information required to be provided under subparagraph (A)(iii) shall be provided verbally or, if requested by the consumer, in written form.

(3) No effect on other law

Nothing in this subsection shall affect the requirements of Federal law as such requirements apply to advertisement by any medium other than radio broadcast.

(Pub. L. 90–321, title I, § 184, as added Pub. L. 94–240, § 3, Mar. 23, 1976, 90 Stat. 259; amended Pub. L. 103–325, title III, § 336(a), Sept. 23, 1994, 108 Stat. 2234; Pub. L. 104–208, div. A, title II, § 2605(c), Sept. 30, 1996, 110 Stat. 3009–473.)

Amendments

1996—Subsec. (a). Pub. L. 104–208, § 2605(c)(1), (3), added subsec. (a) and struck out former subsec. (a) consisting of introductory provisions and 5 pars. relating to contents of lease agreements required if consumer lease advertisement stated amount of payment, number of required payments, or that any or no payments were required at lease inception.

Subsec. (b). Pub. L. 104–208, § 2605(c)(3), added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 104–208, § 2605(c)(1), (2), redesignated subsec. (b) as (c) and struck out former subsec. (c) which read as follows: “There is no liability under this section on the part of any owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.”

1994—Subsecs. (b), (c). Pub. L. 103–325 added subsec. (b) and redesignated former subsec. (b) as (c).

Study of Advertising Rules

Section 336(b) of Pub. L. 103–325 provided that: “Not later than 365 days after the date of enactment of this Act [Sept. 23, 1994], the Board of Governors of the Federal Reserve System shall submit a report to the Congress on—

“(1) the current rules applicable to credit advertising;

“(2) how such rules could be modified to increase consumer benefit and decrease creditor costs; and

“(3) how such rules could be modified, if at all, for radio advertisements without diminishing consumer protection.”