

“Advertising Rules (Reg Z) for Real Estate Agents & Builders

The updated Truth-In-Lending Rules apply if you quote down payments, payments, interest rates or points. But wait, there's more! These rules apply to all forms of advertising, including email blasts, flyers that you pass out at apartment buildings, TV & radio, and direct mail! They apply to all dwelling-secured loans: single-family, condos, town homes, mobile homes, etc.

Existing Advertising Disclosure Rules

If your ad contains any financing info...

- Dollar amount or % of down payment
- Number of payments or number of years to repay the loan
- Dollar amount of any payment
- An interest rate or a finance charge

...then you must disclose the following:

- The terms of repayment over the entire life of the loan, including ARMs, Balloon payments or temporary buy downs
- Dollar amount or % of down payment
- The Annual Percentage Rate

Updated Rate & Payment Rules In Addition to Existing Rules

Effective 10-1-09, more disclosure must be included in addition to the existing rules above:

- If fixed interest rate over the life of the loan, the rate and APR must be printed in the same size letters
- If advertising a payment, you must include
 - Fact that the payment does not include taxes, mortgage or homeowners insurance
- If rate or payment is NOT fixed, (Buydown, ARM or Balloon)
 - Each rate or payment & time period changes for entire term of the loan
 - If ARM, future rate must be disclosed by adding index plus margin

Size of Lettering & Placement of Disclosure – Printed Ads

- APR Rate and loan term details must be printed in the same size letters (or larger) than the rate or payment being advertised
- Must be printed in “close proximity to info being advertised (not buried way down at the bottom of the ad)
- Cannot be obscured in any way (i.e., shading, coloration, etc)

TV, Radio, Video & All Oral Disclosures

Must include all the information above PLUS:

- Must be clearly stated (no talking fast or low tone of voice); or
- Must provide a toll free number that may be used to call for additional info