



Office of the Director  
Bureau of Consumer Protection

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

TO: Advertiser  
RE: Your Mortgage Ad  
DATE: September 10, 2007

This letter is to advise you that you have run at least one advertisement marketing a mortgage loan in a potentially deceptive manner.

The Federal Trade Commission (FTC) is the nation's consumer protection agency, enforcing a number of laws that prohibit unfair or deceptive acts or practices in or affecting commerce. We read at least one of your mortgage advertisements as part of a multi-media review of mortgage advertising. This review is one component of the agency's Deceptive Mortgage Advertising Project, which aims to detect, stop, and deter deceptive advertising for mortgage loans and to promote the informed use of consumer credit.

The FTC Act requires that advertising, including claims about mortgage loans, be truthful and non-deceptive. The FTC also enforces the Truth in Lending Act (TILA), which, among other things, specifies rules concerning consumer credit advertising for mortgage loans. The TILA is designed to assure that consumers are informed about credit terms, including those in advertisements, so that consumers can easily compare terms and shop wisely for credit. Advertisements that promote only the most attractive loan terms, such as low payments or rates during a loan's initial period, without adequate disclosure of other important terms, may violate the FTC Act and/or the TILA.

The FTC has brought many law enforcement actions alleging deceptive or other illegal practices by mortgage lenders, brokers, and servicers. In June of this year, FTC Chairman Deborah Platt Majoras summarized some of these actions in presenting testimony before the U.S. House Financial Services Committee on the FTC's efforts to combat unfair, deceptive, and other illegal practices in the consumer financial services industry. To review this testimony, please refer to the FTC's website at <http://www.ftc.gov/opa/2007/06/fstest.shtm>.

We have not determined whether your company is in violation of the law. However, we urge you to review your practices to ensure that they comply with the law. We have preserved your advertisement for future reference. By sending you this notice, we do not waive the right of the Commission to take action against you based on past or future law violations.

We also strongly recommend that you review the following FTC business and consumer

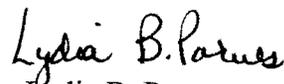
education materials:

1. *How to Advertise Consumer Credit and Lease Terms*  
<http://www.ftc.gov/bcp/online/pubs/buspubs/creditad.htm>
2. *Dot Com Disclosures*<sup>1</sup>  
<http://www.ftc.gov/bcp/online/pubs/buspubs/dotcom/index.html>

You should be aware that your advertisement may also be subject to laws enforced by other federal, state, or local law enforcement agencies.

Thank you for your time and attention to this important matter.

Sincerely,

  
Lydia B. Parnes  
Director

---

<sup>1</sup> This booklet describes the information businesses should consider as they develop online ads to ensure that they comply with the law. However, it also provides useful guidance for companies developing other types of ads, including print, television, or radio ads.