

**Analysis of Proposed Consent Order to Aid Public Comment**  
***City Nissan, Inc., also doing business as Ross Nissan, Matter No. 1323114***

The Federal Trade Commission (“FTC”) has accepted, subject to final approval, an agreement containing a consent order from City Nissan, Inc., also doing business as Ross Nissan. The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the FTC will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

The respondent is a motor vehicle dealer. According to the FTC complaint, the respondent has advertised promotions for the leasing and financing of automobiles. In advertising lease offers, the complaint alleges, the respondent has misrepresented that consumers can pay \$0 at lease inception to lease the vehicles shown in the advertisements for the advertised monthly payment amount. The complaint alleges that, in fact, consumers must pay substantially more to drive off with these vehicles. The complaint alleges therefore that the representations are false and misleading in violation of Section 5 of the FTC Act.

The complaint further alleges that the respondent has advertised an annual percentage rate of 0% to finance the vehicles shown in the advertisements for the advertised monthly payment. The complaint alleges that in fact, the annual percentage rate is substantially greater than 0%. The complaint alleges therefore that the representations are false and misleading in violation of Section 5 of the FTC Act.

Additionally, the complaint alleges violations of the Consumer Leasing Act (“CLA”) and Regulation M for failing to disclose or to disclose clearly and conspicuously certain costs and terms when advertising credit. Finally, the complaint alleges violations of the Truth in Lending Act (“TILA”) and Regulation Z for failing to disclose or to disclose clearly and conspicuously certain costs and terms when advertising credit.

The proposed order is designed to prevent the respondent from engaging in similar deceptive practices in the future. Part I.A of the proposed order prohibits the respondent from misrepresenting the cost of: (1) leasing a vehicle, including but not limited to the total amount due at lease inception, the down payment, amount down, acquisition fee, capitalized cost reduction, any other amount required to be paid at lease inception, and the amounts of all monthly or other periodic payments; or (2) purchasing a vehicle with financing, including but not necessarily limited to the amount or percentage of the down payment, the number of payments or period of repayment, the amount of any payment, the annual percentage rate or any other finance rate, and the repayment obligation over the full term of the loan, including any balloon payment. Part I.B prohibits the respondent from misrepresenting any other material fact about the price, sale, financing, or leasing of any vehicle.

Part II of the proposed order addresses the CLA allegations. Part II.A prohibits the respondent fro

