

Advertising and Marketing on the Internet

Federal Trade Commission
Bureau of Consumer Protection
September 2000

Rules of the Road







www.onguardonline.gov

the *Franchise Rule*, must comply with the Rule's requirements about disclosing the number and percentage of existing franchisees who have achieved the claimed results, as well as cautionary language.

[Click on Franchise Rule and Business Opportunity Ventures.](#)

Credit and Financial Issues

The Truth in Lending Act requires creditors who deal with consumers to disclose information in writing about finance charges and related aspects of credit transactions, including finance charges expressed as an annual percentage rate. In addition, the Act establishes a three-day right of rescission in certain transactions involving the establishment of a security interest in the consumer's principal dwelling (with certain exclusions, such as interests taken in connection with the purchase or initial construction of a dwelling). The Act also establishes certain requirements for advertisers of credit terms.

[Click on Truth in Lending Act.](#)

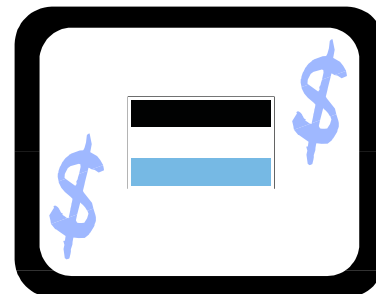
The Fair Credit Billing Act is important if you are a creditor billing customers for goods or services. The Act requires you to acknowledge consumer billing complaints promptly in writing and to investigate billing errors. The Act prohibits creditors from taking actions that adversely affect the consumer's credit standing until the investigation is completed, and affords other consumer protections during disputes. The Act also requires that creditors promptly post payments to the consumer's account, and either refund overpayments or credit them to the consumer's account.

[Click on Fair Credit Billing Act.](#)

The Fair Credit Reporting Act requires that consumer reporting agencies (CRAs) — such as credit bureaus and resellers of consumer reports — that provide information to creditors, insurers, employers, and others, do so with due regard for the confidentiality, accuracy, and legitimate use of such data. When those parties take adverse action on the basis of information in a credit report, they must identify the CRA that provided the report so that the consumer can learn how to get a copy to verify or contest its accuracy and completeness. Creditors and others may not knowingly provide false information to CRAs, which are required to maintain reasonable procedures to ensure the maximum possible accuracy of their data.

[Click on Fair Credit Reporting Act, Credit Reports: What Information Providers Need to Know, Using Consumer Reports: What Employers Need to Know, and Credit Reports: What Insurers Need to Know.](#)

The Equal Credit Opportunity Act prohibits lenders from discriminating on the basis of race, color, religion, national origin, sex, marital status, age, receipt of public assistance income, or an applicant's good faith exercise of any rights under the Consumer Credit Protection Act. The



6

6







