



1700 G Street NW, Washington, DC 20552

To: Company XYZ
Re: Your Mortgage Credit Product Advertisements
Date: November 19, 2012

This letter is to advise you that you may have advertised a mortgage credit product or service in a misleading manner in violation of federal law.

The CFPB enforces federal consumer financial laws, including laws that prohibit material misrepresentations in advertisements for mortgage credit products. The Mortgage Acts and Practices – Advertising rule,¹ or “MAP Rule,” provides that it is a violation of federal law for any person to make a “material misrepresentation, expressly or by implication, in any commercial communication, regarding any term of any mortgage credit product.”² A mortgage credit product is “any form of credit that is secured by real property or a dwelling and that is offered or extended to a consumer primarily for personal, family, or household purposes.”³ The CFPB also enforces 12 U.S.C. § 5536(a)(1), which prohibits unfair, deceptive, or abusive acts or practices in connection with consumer financial products or services, including in the marketing or sale of mortgage credit products.

We have reviewed one or more of your mortgage advertisements and it appears that they may violate federal law to the extent that they: (1) suggest, through the use of a logo very similar to that of the United States Department of Veterans Affairs, the prominent display of a website address that includes the acronym “VA,” and the use of language stating “the VA is offering you” the advertised product, that your company is affiliated with a government agency or government-sponsored program; (2) indicate that a specific “fixed” rate is available for a “30 year” loan when, in fact, the stated rate is for an adjustable rate loan; and (3) suggest that the rate being offered is part of an “economic stimulus plan” that will expire shortly, notwithstanding that the Department of Veterans Affairs’ loan guarantee programs do not have an expiration date. Copies of the advertisements referred to in this letter are attached hereto for your reference. While this letter refers specifically only to the attached advertisements, you should also consider whether other advertising you disseminate in any form, including internet advertisements, may require modification in order to comply with federal laws.

While we have not made a determination at this time regarding whether your advertisements violate the law, we urge you to review your marketing materials to ensure that

¹ See 12 C.F.R. Part 1014.

² *Id.* at § 1014.3.

³ *Id.* at § 1014.2.



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you comply with the laws identified above. To assist you in this process, you may find it helpful to review the full text of the MAP Rule, available at <http://www.gpo.gov/fdsys/pkg/CFR-2012-title12-vol8/pdf/CFR-2012-title12-vol8-part1014.pdf>.

By sending you this notice, the CFPB does not waive its right to take any action against you based on past or future violations of federal law, including violations contained in, or relating to, the attached advertisement(s). Please direct any questions concerning this letter to [CFPB Enforcement attorney name] at [phone number].

Sincerely,

Kent Markus
Enforcement Director

Attachment(s)