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FTC Issues Final Rule Amendments Related to the E-Warranty Act

September 6, 2016 Tags: <u>Consumer Protection</u> | <u>Bureau of Consumer Protection</u> | <u>Internet commerce</u> | <u>Retail</u> | <u>Merchandise & Clothing</u>

The Federal Trade Commission has announced <u>final amendments to its Disclosure Rule and Pre-Sale Availability Rule</u> to give effect to the E-Warranty Act.

Under the Magnuson-Moss Warranty Act (MMWA), in 1975, the FTC promulgated the <u>Disclosure Rule</u>, which provides disclosure requirements for written warranties on products that cost more than \$15, specifies language for certain disclosures, and requires simple language in a single document, and the <u>Pre-Sale Availability Rule</u>, which describes how warrantors and sellers must provide warranty terms before a sale. The 2015 E-Warranty Act amended the MMWA to allow warrantors to post warranty terms online, as long as they also provide a non-Internet-based method as well, and to allow certain sellers to use an electronic method to display warranty terms pre-sale, which necessitated the rule amendments announced today.

In May 2016, the <u>FTC sought public comment on proposed changes to the Rules</u>. The final amendments to the Disclosure Rule define what it means for certain disclosures to appear "on the face of" a warranty posted online. The Pre-Sale Availability Rule amendments allow warrantors to display warranty terms online and provide information to consumers to obtain those terms via non-Internet means. The amendments also allow sellers to supply pre-sale warranty terms electronically or conventionally if the warrantor has chosen to display its warranty terms online.

The Commission vote to approve the Federal Register Notice announcing the final amendments was 3-0. (FTC File No. P044403; the staff contact is Gary L. Ivens, Bureau of Consumer Protection, 202-326-2330).

The Federal Trade Commission works to promote competition, and <u>protect and educate consumers</u>. You can <u>learn</u> <u>more about consumer topics</u> and file a <u>consumer complaint online</u> or by calling 1-877-FTC-HELP (382-4357). Like the FTC on <u>Facebook</u>, follow us on <u>Twitter</u>, read our <u>blogs</u> and <u>subscribe to press releases</u> for the latest FTC news and resources. FTC Seeks Comment on Proposed Rule Amendments Related to the E-Warranty Act

Contact Information

MEDIA CONTACT: Frank Dorman *Office of Public Affairs* 202-326-2674