

IN THE MATTER OF

H. ALLEN McKINNEY TRADING AS S & H MOBILE HOMES,
ETC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND TRUTH IN LENDING ACTS

Docket C-2588. Complaint, Oct. 23, 1974 — Decision, Oct. 23, 1974

Consent order requiring a Missoula, Mont., retailer of new and used mobile homes and travel trailers among other things to cease violating the Truth in Lending Act by failing to disclose to consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the said Act.

Appearances

For the Commission: *Dean A. Fournier.*

For the respondents: *Pro se.*

COMPLAINT

Pursuant to the provisions of the Truth in Lending Act and the implementing regulation promulgated thereunder, and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that H. Allen McKinney, an individual doing business as S & H Mobile Homes and as S & H Mobile Homes of Missoula, hereinafter referred to as respondent, has violated the provisions of said Acts and implementing regulation, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent H. Allen McKinney is an individual trading and doing business as S & H Mobile Homes and as S & H Mobile Homes of Missoula. His principal office and place of business is located at Route 2, Missoula, Mont.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, and sale of new and used mobile homes and travel trailers to the public in metropolitan Missoula, Helena and Bozeman, Mont.

PAR. 3. In the ordinary course and conduct of his business as aforesaid, respondent regularly engages in credit sales and arranges for the extension of consumer credit, as "credit sale," "arrange for the extension of credit," and "consumer credit" are defined in Section 226.2 of

Regulation Z, the implementing regulation of the Truth in Lending Act, duly promulgated by the Board of Governors of the Federal Reserve System.

PAR. 4. Subsequent to July 1, 1969, respondent has caused to be published, in various media, advertisements (as "advertisement" is defined in Regulation Z) to aid, promote, or assist directly or indirectly respondent's consumer credit sales of mobile homes and travel trailers. Certain of these advertisements have stated the period of repayment or the dollar amount of an installment payment or finance charge, and/or that no downpayment is required, without also stating, as required by Section 226.10(d)(2) of Regulation Z, in terminology prescribed under Section 226.8 of Regulation Z, and in the manner and form prescribed under Section 226.6(a) of Regulation Z, all of the following.

1. the cash price;
2. the amount of the downpayment required or that no downpayment is required, as applicable;
3. the number, amount, and due dates or period of payments scheduled to repay the indebtedness;
4. the amount of the finance charge expressed as an annual percentage rate; and
5. the deferred payment price.

PAR. 5. Pursuant to Section 103(q) of the Truth in Lending Act, respondent's aforesaid failures to comply with the provisions of Regulation Z constitute violations of that Act, and pursuant to Section 108 thereof, respondent has thereby violated the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Seattle Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint,

and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedures prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent H. Allen McKinney is an individual trading and doing business as S & H Mobile Homes and as S & H Mobile Homes of Missoula. His office and principal place of business is located at Route 2, Missoula, Mont.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent H. Allen McKinney, an individual trading and doing business as S & H Mobile Homes, S & H Mobile Homes of Missoula, or under any other name or names, and respondent's successors, assigns, agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with any extension or arrangement for the extension of consumer credit, or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit, as "advertisement" and "consumer credit" are defined in Regulation Z (12 C.F.R. §226) of the Truth in Lending Act (Pub. L. 90-321, 15 U.S.C. 1601, *et seq.*), do forthwith cease and desist from:

1. Representing in any such advertisement, directly or by implication, the amount of the downpayment required or that no downpayment is required, the amount of any installment payment, the dollar amount of any finance charge, the number of installments or the period of repayment, or that there is no charge for credit, unless all of the following items are stated in terminology prescribed under Section 226.8 of Regulation Z, as required by Section 226.10(d)(2) of Regulation Z:

- a. the cash price;
- b. the amount of the downpayment required or that no downpayment is required, as applicable;

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- c. the number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended;
- d. the amount of the finance charge expressed as an annual percentage rate, and
- e. the deferred payment price.

2. Failing, in any consumer credit transaction or advertisement, to make all disclosures, determined in accordance with Sections 226.4 and 226.5 of Regulation Z, at the time and in the manner, form and amount required by Sections 226.6, 226.7, 226.8, 226.9 and 226.10 of Regulation Z.

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondent engaged in the consummation of any extension of consumer credit or in any aspect of the preparation, creation or placing of advertising, to all persons engaged in reviewing the legal sufficiency of advertising, and to all present and future agencies engaged in preparation, creation or placing of advertising on behalf of respondent, and that respondent secure from each such person and agency a signed statement acknowledging receipt of said order.

It is further ordered, That respondent herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business address and a statement as to the nature of the business or employment in which he is engaged, as well as a description of his duties and responsibilities.

It is further ordered, That respondent shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF

AMERICAN IDEAL HOMES, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND TRUTH IN LENDING ACTS

Docket C-2589. Complaint, Oct. 23, 1974 — Decision, Oct. 23, 1974

Consent order requiring a Great Falls, Mont., retailer of new and used mobile homes and travel trailers, among other things to cease violating the Truth in Lending Act by failing to disclose to consumers, in connection with the extension of consumer credit, such information as required by Regulation Z of the said Act.