

Outside the Rule, Inside the Court: FTC Throws a Curve for Rental Housing Rent and Fee Disclosures in Ads and Leasing

January 22, 2025 | [Jay Harris](#) and [Mark D. Metrey](#)

The [Federal Trade Commission](#) (FTC) and the [Colorado Attorney General](#) filed suit January 16 against a major property management company, alleging deceptive practices under Section 5 of the FTC Act, the Gramm-Leach-Bliley Act (GLBA), and the Colorado Consumer Protection Act (CCPA). The lawsuit centers on the scope of disclosure of rents and fees in rental housing advertising and leasing.

The lawsuit claims that both first-party and third-party advertising and leasing processes mislead consumers by failing to provide clear, upfront disclosure of total monthly rental charges. Prospective tenants are often unable to determine the total monthly cost of renting until after paying application fees or signing lease agreements. The complaint underscores that fees—such as valet trash, package services, technology bundles, and administrative costs—are often omitted from advertised rates on company websites, property-specific platforms, and third-party listing sites. While the joint filing with the Colorado Attorney General gives an avenue to continue the case independently, should the FTC's enforcement priorities change, the decision by 5 FTC commissioners to file the complaint was bipartisan and unanimous.

Until recently, federal law had not been extended to cover rental pricing disclosures. Indeed, by a bipartisan vote, the FTC decided in December to exclude rental leases (other than short-term leases) when it finalized its [fee disclosure rule](#). Now, this new lawsuit extends unfair and deceptive acts and practices (UDAP) theories in rental pricing advanced in the FTC's September settlement with Invitation Homes, where the agency first sought to promote disclosure of total monthly leasing prices.

The agency's expectations in the two matters for rental/fee advertising and leasing disclosures runs ahead of obligations under landlord-tenant and consumer protection laws in all or nearly all states. The case also reflects the operational challenges and practical limitations of delivering "all-in pricing" in a fragmented technology marketplace. Managing accurate fee disclosures across multiple advertising and leasing platforms for mandatory, renter-selected, and risk-based fees remains complex. In many cases, ad and leasing technologies are not yet fully equipped to make this presentation. And, several fee components are dependent on resident choice, resident risk profile, or other actions out of the advertiser's control.

In practice, marketing departments can take steps to update their first-party and third-party advertising to include the amount and nature of all mandatory fees. Leasing flows can be amended to provide transaction-specific disclosures of all-in fees early in the application process, before any non-refundable deposit is given. But, absent a common rule, advertisers will be reluctant to move first to advertise a higher rent number calculated differently when most others are not.

As state legislatures anticipate addressing fee disclosure and transparency in 2025, this action serves as a reminder for property management companies to reassess compliance practices. Industry participants should pay close attention to evolving enforcement trends and ensure their advertising and leasing processes align with regulatory expectations. States with large rental populations are expected to address fee transparency and appropriateness in their 2025 legislative sessions.

Fee-related disputes are not limited to regulatory efforts. Private litigation involving fee disclosures and appropriateness is on the rise. Recent cases in jurisdictions like Washington, D.C., and California illustrate growing legal scrutiny. These lawsuits challenge practices related to mandatory fees, particularly those not clearly disclosed upfront. This indicates that this issue may become more prevalent in the coming months. We can expect to see more advocates and legislators mine the fact patterns and novel legal theories in this case in follow-on litigation/enforcement, legislation, and rulemaking.

To learn more about this topic and other actions to expect from the new administration, [click here](#) to register for the **Residential Property Management webinar** on February 13: *"What the Latest Trump Era Means for Rental Property Operations."*

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