



NRMLA Dirty Dozen Unethical Advertising Practices
Attachment A to NRMLA Ethics Advisory Opinion 2012-1

The following are unethical advertising practices that have been expressly addressed by the NRMLA Ethics and Standards and Ethics Committee, through its Ethics Advisory Opinions and under the NRMLA Code of Ethics and Responsibility (the Code). All NRMLA Members are required to and do subscribe to the Code. Code requirements apply to NRMLA Members directly, and NRMLA Members also are held accountable under the Code for the indirect actions of the vendors (including advertising and lead generation providers) they engage.

This list of the NRMLA Dirty Dozen of Unethical Advertising practices is illustrative of the requirements of the Code in this area, and not exhaustive. Additional information about the Code and its requirements, and the Committee's Ethics Advisory Opinions, and this Dirty Dozen list, may be found at www.nrmlaonline.org.

The NRMLA Dirty Dozen Unethical Advertising Practices List:

1. Advertising HECM loan programs as a "Government Loan" or "Government Benefit," or the lender's loan as HUD or AARP "approved."
2. Advertising that a failure of a senior to respond will or may result in the loss of a consumer benefit to which the consumer is entitled.
3. Advertising exaggerated or misleading benefits (such as "We (the lender) pay off your loan"), particularly without fairly describing related risks.
4. Advertising celebrity testimonials or endorsements without disclosing the paid nature of the arrangement.
5. Advertising a requirement that another product or service (such as an annuity) also must be purchased from the lender in order to obtain a reverse mortgage loan, particularly if such other product or service also does not provide a bona fide advantage to the consumer.
6. Advertising to a business partner unreasonably high compensation paid to it by the consumer through reverse mortgage loan proceeds, even if such compensation clearly and timely is disclosed to the consumer.

7. Advertising, without equally prominent and conspicuous and accurate explanations and qualifications, that reverse mortgage loans are “no cost,” or “no fee,” or “no risk,” or “no expense,” or “require no payments.”
8. Advertising celebrity testimonials or endorsements that do not reflect the honest opinions and experiences of the endorsers.
9. Advertising that consumers are “pre-approved” or “pre-qualified” without also fully and clearly disclosing applicable approval and qualification conditions.
10. Advertising in a misleading way that if a consumer does not promptly respond, he or she may or will lose or miss out on a limited opportunity.
11. Advertising using simulated checks or currency.
12. Advertising using HUD or FHA logos or names.