



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Malini Mithal
Acting Associate Director
Division of Financial Practices

{Date}

{Address}

Dear {Student Loan Advertiser}:

The Federal Trade Commission (FTC) just settled a lawsuit against Social Finance, Inc. and SoFi Lending Corp. (SoFi). The FTC alleges that SoFi made deceptive savings claims about its student loan refinance products. The proposed settlement and complaint – copies of which are attached – have been placed on the public record for comment until November 28, 2018.

We understand you also have made savings claims in your advertising for loan refinance products, so we want to call your attention to the SoFi case. According to our lawsuit against SoFi, the company violated the FTC Act by making deceptive claims that its members saved specific large average amounts of money, either over the lifetime of their loans or on a monthly basis. We allege that, in numerous instances, SoFi's claims inflated the average savings consumers actually achieved by selectively excluding large categories of consumers based on the term length of their loans. Furthermore, we allege that, in numerous instances, SoFi only revealed these exclusions in fine print disclaimers insufficient to cure the prominent deceptive claims.¹ Additionally, our complaint alleges that after some consumers prequalified for a loan online, SoFi misrepresented that they would save "\$0.00" under certain loan options when, in fact, consumers would actually have to pay more money.

The proposed order against SoFi would prohibit it from making false or unsubstantiated claims that consumers have saved, will save, or will likely save money over any time period, including by representing that the amount of money saved over a specific time period will be zero when consumers will instead pay more money.

We strongly recommend that you review your own company's advertising claims to make sure you are not making false or unsubstantiated representations, including claims like the

¹ See *.com Disclosures: How to Make Effective Disclosures in Digital Advertising* (2013), available at <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-staff-revises-online-advertising-disclosure-guidelines/130312dotcomdisclosures.pdf>.

ones that led to our lawsuit against SoFi. The FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

If you have questions, please contact Evan Zullow, (202) 326-2914, ezullow@ftc.gov, or Patrick Roy, (202) 326-3477, proy@ftc.gov.

Sincerely,

Malini Mithal
Acting Associate Director
Division of Financial Practices