

§ 254.4

16 CFR Ch. I (1–1–14 Edition)

(c) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, that its courses or programs of instruction are recommended by vocational counselors, high schools, colleges, educational organizations, employment agencies, or members of a particular industry, or that it has been the subject of unsolicited testimonials or endorsements from former students. It is deceptive for an Industry Member to use testimonials or endorsements that do not accurately reflect current practices of the school or current conditions or employment opportunities in the industry or occupation for which students are being trained.

NOTE TO PARAGRAPH (c): The Commission's Guides Concerning Use of Endorsements and Testimonials in Advertising (part 255 of this chapter) provide further guidance in this area.

(d) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, that its courses or programs of instruction fulfill a requirement that must be completed prior to taking a licensing examination.

[78 FR 68990, Nov. 18, 2013]

§ 254.4 Misrepresentation of facilities, services, qualifications of staff, status, and employment prospects for students after training.

(a) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, in advertising, promotional materials, recruitment sessions, or in any other manner, the size, location, services, facilities, curriculum, books and materials, or equipment of its school or the number or educational qualifications of its faculty and other personnel. For example, an Industry Member should not:

(1) Misrepresent the qualifications, credentials, experience, or educational background of its instructors, sales representatives, or other employees.

(2) Misrepresent, through statements or pictures, or in any other manner, the nature or efficacy of its courses, training devices, methods, or equipment.

(3) Misrepresent the availability of employment while the student is un-

dergoing instruction or the role of the school in providing or arranging for such employment.

(4) Misrepresent the availability, amount, or nature of any financial assistance available to students, including any Federal student financial assistance. If the cost of training is financed in whole or in part by loans, students should be informed that loans must be repaid whether or not they are successful in completing the program and obtaining employment.

(5) Misrepresent that a private entity providing any financial assistance to the students is part of the Federal government or that loans from the private entity have the same interest rate or repayment terms as loans received from the U.S. Department of Education.

(6) Misrepresent the nature of any relationship between the school or its personnel and any government agency, or that students of the school will receive preferred consideration for employment with any government agency.

(7) Misrepresent that certain individuals or classes of individuals are members of its faculty or advisory board, have prepared instructional materials, or are otherwise affiliated with the school.

(8) Misrepresent the nature and extent of any personal instruction, guidance, assistance, or other service, including placement assistance and assistance overcoming language barriers or learning disabilities, it will provide students either during or after completion of a course.

(9) Misrepresent the extent to which a prospective student will receive credit for courses or a program of instruction already completed at other post-secondary institutions.

(10) Misrepresent the percentage of students who withdraw from a course or program of instruction, or the percentage of students who complete or graduate from a course or program of instruction.

(11) Misrepresent security policies or crime statistics that the school must maintain.

(b) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication,

Federal Trade Commission

§ 254.6

that it is a nonprofit organization or that it is affiliated or otherwise connected with any public institution or private religious or charitable organization.

(c) It is deceptive for an Industry Member that conducts its instruction by correspondence, or other form of distance education, to fail to clearly and conspicuously disclose that fact in all promotional materials.

(d) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, that a course or program of instruction has been recently revised or instructional equipment is up-to-date, or misrepresent its ability to keep a course or program of instruction current and up-to-date.

(e) It is deceptive for an Industry Member, in promoting any course or program of instruction in its advertising, promotional materials, or in any other manner, to misrepresent, directly or indirectly, expressly or by implication, whether through the use of text, images, endorsements, or by other means, the availability of employment after graduation from a school or program of instruction, the specific type of employment available to a student after graduation from a school or program of instruction, the success that the Industry Member's graduates have realized in obtaining such employment, including the percentage of graduates who have received employment, or the salary or salary range that the Industry Member's graduates have received, or can be expected to receive, in such employment.

NOTE TO PARAGRAPH (e): The Commission's Guides Concerning Use of Endorsements and Testimonials in Advertising (part 255 of this chapter) provide further guidance in this area.

[63 FR 42573, Aug. 10, 1998, as amended at 63 FR 72350, Dec. 31, 1998; 78 FR 68990, Nov. 18, 2013]

§ 254.5 Misrepresentations of enrollment qualifications or limitations.

(a) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, the nature or extent of any prerequisites or qualifications for enroll-

ment in a school or program of instruction.

(b) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, that the lack of a high school education or prior training or experience is not an impediment to successful completion of a course or program of instruction or obtaining employment in the field for which the course or program of instruction provides training.

(c) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, the time required to complete a course or program of instruction.

(d) It is deceptive for an Industry Member to misrepresent, directly or indirectly, expressly or by implication, a student's likelihood of success in a school or program of instruction, including, but not limited to, misrepresenting the student's score on any admissions test.

[78 FR 68991, Nov. 18, 2013]

§ 254.6 Deceptive use of diplomas, degrees, or certificates.

(a) It is deceptive for an Industry Member to issue a degree, diploma, certificate of completion, or any similar document, that misrepresents, directly or indirectly, expressly or by implication, the subject matter, substance, or content of the course or program of instruction or any other material fact concerning the course or program of instruction for which it was awarded or the accomplishments of the student to whom it was awarded.

(b) It is deceptive for an Industry Member to offer or confer an academic, professional, or occupational degree, if the award of such degree has not been Approved by the appropriate State educational agency or Accredited by a nationally recognized accrediting agency, unless it clearly and conspicuously discloses, in all advertising and promotional materials that contain a reference to such degree, that its award has not been Approved or Accredited by such an agency.

(c) It is deceptive for an Industry Member to offer or confer a high school diploma unless the program of instruction to which it pertains is substantially equivalent to that offered by a