

Hudson Cook Enforcement Alert: FTC Settles with Institutional Apartment Operator over Fee Disclosures and Signals New Rulemaking

December 4, 2025 | [Jay Harris](#) and [Kristen Yarows](#)

HIGHLIGHTS:

- The Federal Trade Commission ("FTC") and State of Colorado settled a case with the nation's largest apartment operator over allegations that it misled consumers about monthly rent costs by failing to disclose all mandatory monthly fees.
- Chairman Andrew Ferguson has instructed the FTC to begin the process of proposing a rule to address unfair or deceptive fees in rental housing.

SUMMARY:

On December 2, 2025, the FTC and State of Colorado settled their lawsuit against the nation's largest multifamily rental housing provider. The complaint alleged that the company's marketing practices misled consumers by failing to clearly and conspicuously disclose total monthly leasing costs and failing to adequately describe mandatory fees that consumers must pay. The FTC and State of Colorado alleged that the company violated the FTC Act, the Gramm-Leach-Bliley Act, and the Colorado Consumer Protection Act. The company agreed to pay \$23 million to the Federal Trade Commission and \$1 million to the State of Colorado, agreed to prominently disclose the total monthly leasing price, and clearly and conspicuously provide details about all fees before taking any payments from consumers.

The FTC's recent enforcement action follows the marketing and leasing disclosure principles under Section 5 of the FTC Act that the agency earlier articulated in its [groundbreaking settlement](#) with a large single-family rental home operator in September 2024 over similar allegations. That settlement required the company to pay \$48 million to resolve allegations that the company failed to clearly and conspicuously disclose a total monthly leasing price and failed to adequately describe mandatory fees.

One can expect the FTC's attention to rental housing fee practices to continue. Notably, in the FTC's recent settlement, Chairman Ferguson issued a concurring statement instructing the FTC staff to again begin to draft a federal rule to address unfair or deceptive fees in rental housing. In November 2024, the FTC proposed a broad trade

regulation rule covering unfair or deceptive fees across numerous industries including the residential property management industry. But the final rule that took effect in May 2025 was revised to only cover live-event ticketing and short-term rental and hotel stays while excluding rental housing. The rule was revised following support for the federal rule by those industries and opposition from the rental housing industry to being included in the rule.

In the absence of a federal standard, rental property operators and vendors have been working with counsel to manage compliance with a patchwork of state and local fee ordinances, many of which extend beyond applicant marketing and leasing disclosure obligations. In September 2025, Massachusetts' new general business rules governing transparency in price disclosure and negative option renewals took effect. The new Massachusetts rule requires "total price" disclosures for goods and services, including rental housing marketing, leasing, and renewals. In contrast to the FTC's standard, the Massachusetts rule generally requires providing the total price before collecting the consumer's personal information. As Hudson Cook LLP has noted, other states including Colorado, New Mexico, Connecticut, and Nevada all enacted statutes in 2025 that impose state-specific calculations of total price and compliance fee disclosures, while state legislatures in California and Illinois are not far behind.

The litigation picture continues to evolve too. Disclosure and permissibility of rental fees under existing consumer protection and landlord-tenant laws are the focus of private litigation in states like California and Virginia. And the FTC's articulation of a rental advertising disclosure standard in its Section 5 enforcement matters provides a road map for private and public enforcement under state Unfair and Deceptive Acts and Practices laws too. Prudent rental operators are not waiting on states to enact specific fee disclosure requirements in order to adapt their marketing and leasing disclosure practices to the FTC's articulated standard.

Residential property management companies should audit their marketing and leasing materials to ensure the materials clearly and conspicuously disclose the total price with all mandatory fees and that the nature and optionality of fees are adequately described. Materials for review include property web sites and third-party ads and listings, as well as chatbot responses, call center scripts, and offline marketing collateral. Property operators should consult with experienced property management counsel to stay apprised of local, state and federal legislative and litigation developments that impose new fee disclosure and permissibility requirements.

For more information on the FTC's latest residential property enforcement action and compliance tips, **please register for Jay Harris's upcoming webinar** on Residential Property Management Fee Transparency Policy Matters on December 11, 2025 at 12 PM ET. **Register for the webinar with this [link](#).**

RESOURCES:

You can review all of the relevant administrative filings and press releases at the [FTC's Enforcement Page](#).

- [Press Release](#)
- [Complaint](#)
- [Proposed Order](#)
- [Concurring Statement of Chairman Ferguson](#)

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