

# THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 24-04

June 14, 2004

## SAFETY UPDATE

### NHTSA Repeats Rollover Warning For 15-Passenger Vans

In advance of an anticipated increase in summer travel, the National Highway Traffic Safety Administration (NHTSA) last week issued a third warning to users of 15-passenger vans because of an increased rollover risk under certain conditions. The safety agency also unveiled an updated consumer hangtag for users of 15-passenger vans and released three related research reports.

The newly released NHTSA research shows that a fully loaded 15-passenger van has a rollover risk about five times greater than when the vehicle contains only a driver. The new NHTSA analysis

also showed that the risk of rollover increased significantly at speeds of over 50 miles per hour and on curved roads.

"It is vitally important that users of 15-passenger vans be aware of these risks...and follow safety precautions," said NHTSA Administrator Jeffrey W. Runge, M.D.

Among the safety recommendations are the following:

- It is important that 15-passenger vans be operated by trained, experienced drivers.
- Insist that all occupants wear safety belts at all times, because 76% of those who died

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## LAST CHANCE!

### F&I Best Practices & Legal Awareness Workshop

June 22, 2004

9:30 a.m. - 11:30 a.m.,

Pooks Hill Marriott,  
Bethesda, MD

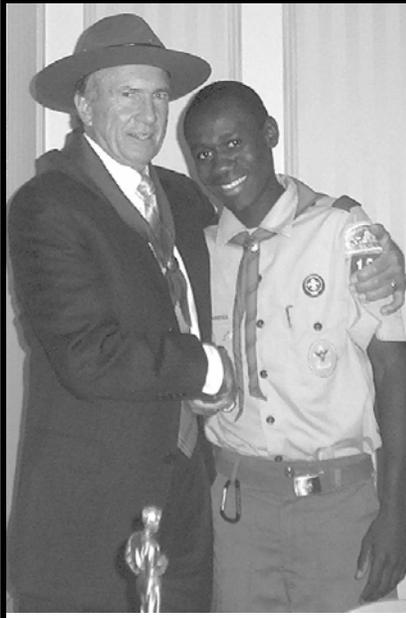
In response to the heightened scrutiny and legal activity in the area of F&I and sales practices, WANADA will be sponsoring an F&I Best Practices and Legal Awareness Workshop that will focus on:

- Changes in the finance industry in today's market.
- Dealer best practices-recommended effective F&I processes.
- Legal issues as they apply to our market.
- How lawsuits affect every dealer and the industry's reputation.

Chris Costello, corporate attorney for Jim Moran & Associates, Inc., and Peter Chafetz, JM&A Group's career development manager, will be in attendance to answer your questions and will review 10 Specific Strategies to Ensure Legal Compliance.

The enrollment fee is \$80 for 1st attendee, \$50 each additional person. For more information or to register, see the detail sheet and RSVP form enclosed with this WANADA Bulletin, or call Barbara Martin at WANADA, (202) 237-7200 ext 18.

## DEALERS IN THE SPOTLIGHT



### Lindsay is "Good Scout"

Charles T. "Terry" Lindsay, Jr. (left), CEO of Lindsay Automotive Group, was recently honored by the Alexandria Boy Scouts with the "Good Scout" award, given annually to "outstanding community leaders" for their support of the Boy Scouts of America. A former Boy Scout and long time supporter, Lindsay is seen here giving a hug to scout Hamilton Dittrick. Jack Taylor of Alexandria Toyota was co-chair of the award luncheon, and WANADA was a table sponsor.

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## Fed Issues Minor Revision to Regulation Z

The Federal Reserve Board has clarified that where the word "amount" is used in Regulation Z to describe disclosure requirements, it refers to a number, not a narrative description, unless the regulation indicates otherwise. Reg Z implements the Truth In Lending Act (TILA), which generally requires creditors, including dealers, to provide clear disclosure of credit terms and costs to consumers.

The Fed also clarified that when a creditor provides initial disclosures in a language other than English, it need not provide subsequent disclosures in that language. That provision permits creditors to provide TILA disclosures in languages other than English, so long as English versions are available to consumers upon request.

The revisions became effective April 1, although compliance is not mandatory until Oct. 1. To review the Fed's action, visit: <http://www.federalreserve.gov/boarddocs/press/bcreg/2004/20040326/attachment.pdf>.

## NADA Safeguards Conference CD Available

Some 2,000 people from more than 350 dealerships in 47 states participated in NADA's conference call on the FTC Safeguards Rule May 25. Dealers received informal compliance training directly from FTC attorneys who enforce the rule. Dealer-specific comments are critical because the rule contains general standards that apply to many different types of financial institutions. To order a CD of the event call 800/252-6232, Ext. 2.

## Front Seat Passengers At Risk From Unbelted Back Seat Riders

NADA and the National Air Bag & Seat Belt Safety Campaign, which are working to enact primary seat belt laws in every state to save more lives, offer the following advice for dealers hosting seat belt safety events: Emphasize that it's not just drivers and babies who need to be belted. A study reported in the Journal of the American Medical Association stated how any unbelted passenger can be a threat to the other passengers:

- In a crash, another occupant could be killed if struck by a passenger who was catapulted forward, backward or sideways.
- The risk of death to a belted passenger in the front seat rose 20 percent when a back seat passenger was unbelted.
- An estimated one in six deaths of front seat passengers wearing a seat belt might have been prevented if the back seat passenger had worn a seat belt.

## NADA Offers Free Financing "Tool Kit"

With media scrutiny of auto financing at an all-time high, NADA has prepared an easy-to-use "tool kit" for dealers.

"Media Tool Kit: F&I Under Fire" is being mailed to all NADA board members and metro and state dealers' association executives and will be available for all members to download from [www.nada.org](http://www.nada.org). The tool kit contains media interview tips, FAQs, a "Myth vs. Fact" sheet, a sample letter to the editor, and bylined Op-Ed articles—all of which can be customized locally.

The "Understanding Vehicle Financing" brochure designed for customers, the media and the general public is also available for download on [www.nada.org](http://www.nada.org). "Let's set the record straight!" says NADA.

## 15-Passenger Vans

*(Continued from page 1)*

in 15-passenger van rollovers nationwide in single vehicle crashes were not buckled up. An unrestrained 15-passenger van occupant involved in a single vehicle crash is about three times as likely to be killed as a restrained occupant.

- If possible, have passengers and cargo forward of the rear axle and avoid placing any loads on the roof.
- Check your tires: Excessively worn or improperly inflated tires can lead to a loss-of-control situation and a rollover. At least once a month, check that the van's tires are properly inflated and the tread is not worn down.

All the NHTSA studies and recommendations on 15-passenger van safety can be found at [www.nhtsa.dot.gov/cars/problems/studies/15PassVans/15PassCustomerAdvisory.htm](http://www.nhtsa.dot.gov/cars/problems/studies/15PassVans/15PassCustomerAdvisory.htm).

## NADA Talking Points on Auto Sales and Gas Prices

Although gas prices declined slightly this past week, NADA prepared the following talking points for dealers on the impact of high gas prices on auto sales, which is generating substantial media interest. "If you haven't yet received media inquiries on gas prices, you may soon, especially as the peak summer driving season arrives," said Carroll Smith, chairman of NADA's Public Affairs Committee. "Therefore, we are providing you with some talking points below for handling media inquiries locally."

### Key messages:

- The general mix of vehicles sold over the past few years hasn't changed much, even as gas prices have risen. For example, SUV sales remain relatively steady, and crossover utility vehicle (CUV) sales continue to grow at double-digit rates. These are trends that pre-date the current fuel price rise.
- American consumers are used to spikes in gas prices, especially during the peak summer driving season. However, if they start to believe that higher prices are here to stay, they may begin to make adjustments in their vehicle choices. Or if gas prices top \$2.50 per gallon nationally, buying decisions may be impacted more significantly.
- NADA Chief Economist Paul Taylor projects that gas prices will decline by late fall or earlier.
- Refining capacity is a key factor affecting gas prices. Unlike past periods of high gas prices, diesel prices have not risen to levels that nearly equal gas prices.
- The auto industry is demonstrating that it does care about fuel-efficiency. There's significant progress in the development of practical, fuel-efficient vehicles for wide use by consumers, and different engine choices for specific vehicles.
- Hybrid vehicles, while representing only 1 percent of vehicles on the market today, are growing in popularity.
- Consumers buy hybrids for a variety of reasons, including environmental concerns and fuel-efficiency. They are selling largely to people who drive well over the 12,000 miles an average consumer drives per year. One reason is the higher cost – \$2,500 to \$3,000 more than an equivalent vehicle with a gasoline engine – making real savings on fuel at least several years off for typical drivers.
- New hybrids are coming to the market over the next year in the popular "crossover utility" body styles. Ultimately, consumers will decide whether these vehicles continue to gain popularity. Manufacturers are providing choices with a selection of fuel mileages that meet consumer demands for performance, utility and comfort.

### Additional Information:

- Crossover utility vehicle sales have grown more than 17 percent this year, following a 35 percent increase in 2003 and 23 percent gain in 2002.
- The average gas mileage for passenger cars is 22.1 miles per gallon (according to the Federal Government's National Transportation Survey).
- The average gas mileage for light trucks is 17.6 miles per gallon (according to the Federal Government's National Transportation Survey.) Given the typical two-to three-mile-per-gallon reduction in fuel economy for four-wheel-drive vehicles, the difference in fuel economy for the average car and light truck is relatively small.
- The number of licensed drivers on the road is growing by more than 2 percent per year on average, contributing to increased gas consumption.
- The average annual miles traveled by car is 11,800 (according to the Bureau of Transportation Statistics).

The average annual miles traveled by light trucks is 11,100 (according to the Bureau of Transportation Statistics). Even with high-mileage commercial pickup trucks included, light trucks are driven fewer miles than cars, on average.

**RACE DAY THIS SATURDAY!****Soap Box Derby Racers Head for the Hill This Saturday  
Media to "Test Drive" Race Cars at Noon**

Capitol Hill is the scene of many a famous contest, but none any more fiercely competitive than the Greater Washington Soap Box Derby, which can be seen this Saturday, June 19, on Constitution Ave in the shadow of the Capitol dome. As an added treat — and we suspect more hot competition — print and TV reporters have been invited to "test drive" these motorless speed machines down the quarter mile course described by USA Today as one of the ten best Soap Box Derby courses in the country.

Then comes the real competition when 60 or more kids, 8 to 17 years old, compete head-to-head in their hand-built, gravity-powered, brightly decorated racers in three classes — stock, super stock and masters. It's a true American classic.

As the proud *lead* sponsor of this event since the early '90s, WANADA encourages its members and friends to join the patrons and participants in cheering on these enterprising young speedsters for the 63<sup>rd</sup> running of the Greater Washington Soap Box Derby. Don't miss it! Come on out and have a great time! For more information about the race or sponsorships, visit the Web site, [www.dcssoapboxderby.org](http://www.dcssoapboxderby.org), or contact Tom Mann at WANADA, (202) 237-7200.

**BOBBY MITCHELL HALL OF FAME CLASSIC**

*Calling all Sponsors: Lots of Opportunities Available*

**Support the Bobby Mitchell Hall of Fame Classic, July 10 & 11**

After setting fundraising records for the past three years as an organizer and a sponsor of the Bobby Mitchell Hall of Fame Golf Classic — which raised over \$1.3 million for the Leukemia & Lymphoma Society — WANADA's goal this year is to eclipse the illusive \$500,000 mark this year. But we are still waiting to hear from many of our dealers and kindred-line members. Have you faxed your commitment confirmation form in yet? "If not, there is still time and **WE REALLY NEED YOUR HELP!**" says Hall of Fame Co-Chair Tammy Darvish and Redskin legend Bobby Mitchell.

There are still several sponsorship opportunities available, as well as the need for a wide variety of auction items. For more information on participation in and sponsorship opportunities for this year's Hall of Fame Classic, see the details in the flyer and donation form enclosed with this Bulletin, or contact Barbara Martin at WANADA, (202) 237-7200 or [bjm@wanada.org](mailto:bjm@wanada.org). And please make your commitment today and participate in an enjoyable event awash in sport celebrities who you'll meet up close and personal.

**Thought for the Week...**

*The best thing for the inside of a man is the outside of a horse.*

—Ronald Reagan

**Enclosures:**

- Bobby Mitchell Hall of Fame information sheet & donation form
- F&I Best Practices and Legal Awareness Workshop information sheet & RSVP form