

### Headlines...

FED and FTC Have Issued Final Rules on Risk-Based Pricing Notices

Dealership Sales Reps Must Register to Work at the Auto Show

MADA, VADA & WANADA Come Together on Reception at the 2010 NADA Convention in Orlando, Fla.

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## FED and FTC Have Issued Final Rules on Risk-Based Pricing Notices

Dealer Need to be Aware that the Federal Reserve Board and the Federal Trade Commission have announced final rules that generally require a creditor to provide a consumer with a notice when, based on the consumer's credit report, the creditor provides credit to the consumer on less favorable terms than it provides to other consumers. Consumers who receive this "risk-based pricing" notice will be able to obtain a free credit report to check the accuracy of the report.

Risk-based pricing refers to the practice of setting or adjusting the price and other terms of credit provided to a particular consumer based on the consumer's creditworthiness. The final rules provide creditors with several methods for determining which consumers must receive risk-based pricing notices.

As an alternative to providing risk-based pricing notices, the final rules permit creditors to provide consumers who apply for credit with a free credit score and information about their score. Today, most consumers must pay a fee to obtain their credit score.

The final rules implement section 311 of the Fair and Accurate Credit Transactions Act of 2003, which amends the Fair Credit Reporting Act.

### A Special WANADA Seminar

For Terminated GM & Chrysler Dealers  
**The "Ins and Outs of Arbitration"**

With Mike Charapp, Esq.  
Charapp & Weiss

January 7, 2010 from 9:30 am

WANADA Conference Center  
5301 Wisconsin Ave, NW  
Washington, DC

For details and to register contact:  
Kristina Henry at: (202) 237-7200 or  
[kh@wanada.org](mailto:kh@wanada.org)

## Dealership Sales Reps Must Register to Work At the Auto Show

Sales representatives from WANADA dealerships in Maryland and Virginia must register with the District of Columbia through WANADA to receive a waiver from DC automotive sales licensing law requirements if they intend to work at the 2010 Washington Auto January 27-31, 2010. This is a legal requirement of the District of Columbia. There is no corresponding requirement for OEM product specialists.



Please fill out the registration form included with this Bulletin with the names and sales license numbers of the dealership and all dealership representatives who will work and represent their line of vehicles at the Auto Show and fax it to the WANADA offices at your earliest convenience, but in any case by January 20. WANADA will process all submissions sent to it with the District of Columbia. Reps who do not register may trigger regulatory scrutiny not only for themselves, but for the Auto show as well. Your cooperation is appreciated. The WANADA Fax # is (202) 237-9090.

### *Save the Date!*

## MADA, VADA & WANADA Come Together on Reception at the 2010 NADA Convention in Orlando, Fla.

The Ritz Carlton - Da Vinci Terrace  
Saturday, Feb 14, 5:30 – 7:30 p.m.



Dealer members headed to Orlando, FL, for the 2010 NADA Convention in a few weeks will be welcomed by their three associations, MADA, VADA and WANADA at their joint reception on the Da Vinci Terrace at the beautiful Ritz Carlton. Arrangements are set for Saturday night, Feb 14, 2010.

This year's joint reception, recognized by veteran conventioners as one of NADA's "best parties," promises to deliver another memorable evening of camaraderie and good cheer!

## New EPA Body Shop Regulations Set for January 2011

The Environmental Protection Agency's (EPA) rule governing hazardous air pollutants (HAPs) requires existing body shops to file an Initial Notification Form by January 11, 2010. Full compliance, due by January 11, 2011, requires that dealership body shops do the following:

1. Paint only inside filtered, ventilated paint booths or prep stations.
2. Use high transfer efficiency application equipment.
3. Clean guns with non-hazardous solvents, in gun-enclosed washers, or using a method that does not involve atomized spraying to the open air.
4. Have painters trained and certified every five years.
5. Keep basic records demonstrating compliance.

The rule also:

1. Allows a shop to petition for an exemption if it does not use spray coatings with any of the above-listed HAPs of concern.
2. Excludes the spraying of coatings from hand-held guns with paint cups of 3.0 fluid ounces or less.

Additionally, paint stripping involving methylene chloride (MeCl) is significantly regulated for shops using more than one ton of MeCl per year. Where possible, body shops should avoid the use of strippers containing MeCl.

For more information, please see the bulletin and forms found at: [www.nada.org/bodyshop](http://www.nada.org/bodyshop) (login required). Questions on the new rule may be directed to Regulatory Affairs at: [regulatoryaffairs@nada.org](mailto:regulatoryaffairs@nada.org) or 703-821-7040.

## The Need for Clear-Cut Pay Plans

Employee compensation and benefits are among your most significant expenses and yet having a motivated and skilled staff is critical to your business success. How do you find the right balance? *NADA Compensation Study 2009* serves as an invaluable resource to help you assess your situation and balance those needs. Please note two additions to this year's guide:

- NADA chief economist Paul Taylor has significantly expanded the introductory analysis section to provide you greater insight into the data.
- An entirely new section is provided on pay plans, including the excerpt below:

*For purposes of avoiding misunderstandings with employees, the importance of legally-sound pay plans cannot be overstated. Moreover, dealers must pay close attention to the rules relating to wage and hour law, which can be deceptively complex. The Fair Labor Standards Act is the primary federal law in this area, but some states have rules that are different from or stricter than the federal.*

*A typical dealership uses a variety of pay plans. Some of these, such as those for employees primarily compensated on commission, revolve around complex accounting concepts involving a defined "gross" or "profit." In part, dealers use pay plans to motivate employees to exert their greatest efforts—and subsequently to reward them for doing so. For example, salespeople paid on a commission basis receive a portion of the "gross" or "profit" on each vehicle sold. Most dealership salespeople clearly understand that they are being paid on a commission basis and that their compensation is tied directly to their production. However, unless key details are spelled out with well-defined terms in a legally-sound pay plan, salespeople may not fully understand all of the parameters of their compensation.*

While the *NADA Compensation Study 2009* provides a national overview of the basic concepts that should be covered when drafting pay plans, it cannot cover all of the details needed to craft a legally-compliant pay plan and it does not constitute legal advice. Dealers are strongly encouraged to have their compensation plans reviewed by competent counsel for compliance with federal, state, and local law. Note that WANADA teams up with NADA for providing a regional version of their national Compensation Study, which, too, will be out in the new year.

The *NADA Compensation Study 2009*, provided free to all NADA members, will be mailed at the end of December. To order additional copies of the guide through January, please visit [www.nada.org/mecatalog](http://www.nada.org/mecatalog) or call NADA at 800-252-NADA, ext. 2.

## Insurance Institute Rates Child Booster Seats

WANADA dealer members wishing to help their customers with selecting the proper child booster seats might wish to post the latest findings from the Insurance Institute for Highway Safety on which models are best. The safety group looked at 60 booster seats and highlighted 15 as Best Bets or Good Bets.

These are seats that fit the best. Booster seats are meant to raise children up so that a vehicle's seat belts, which are designed to fit adults, will fit children and better protect them in a crash. Good booster seats position the lap belt flat across a child's upper thigh, not the abdomen, and position the shoulder belt at the center of the shoulder, not rubbing against the neck or slipping off the side of the shoulder.

Here are the Best Bets and Good Bets:

### **The Best Bets**

Combi Dakota backless/clip  
Recaro Young Sport  
Recaro Vivo  
Maxi-Cosi Rodi XR  
Evenflo Big Kid Amp backless/clip  
[Eddie Bauer](#) Auto Booster  
Costo Juvenile Pronto  
Britax Frontier  
Clek Oobr

### **The Good Bets**

Combi Kobuk backless/clip  
Maxi-Cosi Rodi  
Evenflo Symphony 65  
Britax Parkway SG  
Graco TurboBooster SafeSeat Wander  
Graco TurboBooster SafeSeat Sachi

Booster seats are recommended for children who have outgrown car seats — generally when they are around 4 years old and 40 pounds. Children should ride in booster seats until they are 4-feet-9 (around the age of 8 or 9), which is when a car's seat belts are likely to fit them properly.

The Children's Hospital of Philadelphia has done studies that have shown that children in booster seats or child car seats are less likely to be injured or die in crashes. A recent study showed that children 4 to 8 years of age who ride in booster seats are 45 percent less likely to be injured in a crash than children using seat belts alone.

## ***Best Wishes for a Joyous Holiday Season and the Blessings of the New Year***

**From the WANADA Staff**



Archie Avedesian, Bill Belew, Angelica Boiteux, Wil Desjardins, Ralph Frisbee, Trish Frisbee, Immanuel Garcia, Isabel Garcia, Kristina Henry, Ellen Hicks, Jake Kelderman, Joe Koch, Martha Kowalski, Gerard Murphy, Jacqueline Murphy, John O'Donnell, Katy Orme, Kim Rahl, Charlie Spiridopoulos, Margaret Tsai.

### **Thought for the Week...**

**"I don't know what to do!" cried Scrooge, laughing and crying in the same breath. "I am as light as a feather, I am happy as an angel, I am as merry as a school boy, I am as giddy as a drunken man. A merry Christmas to everybody! A happy New Year to all the world!"**

**--Charles Dickens,  
*A Christmas Carol***

Go to [www.wanada.org](http://www.wanada.org) to Register

## **The 2010 Washington Auto Show Dealership Operations Seminar Series!**

*OnSite at the Washington Convention Center*

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### ***The Essentials of Finance & Insurance*** Professional Certification Program

Wednesday, January 27, 2010

8:00am – 5:00pm

Presented by JM&A

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### ***Regional Tag & Title Update***

With Motor Vehicle Agency Representatives from DCDMV, MDMVA and VADMV

Thursday, January 28, 2010

9:30am Registration

10:00 am - Noon Program

### ***The Keys to Growing Fixed Operations***

With Don Tipton

Auto Dealership Consultant and NADA "Top Ten" Speaker

Thursday, January 28, 2010

9:00 am - Registration

9:30 am- 11:00 am- Program

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### ***Lessons for All Dealers from the GM and Chrysler Bankruptcies***

With Michael Charapp, Esq.

Charapp & Weiss, Attorneys at Law

Friday, January 29, 2010

9:00am Registration

9:30am- 11:00am Program

### ***The New and Used Vehicle Sales Outlook The Washington Market***

With NADA Economist Paul Taylor and Howard Polirer of AutoTrader.com

Friday, January 29, 2010

9:00am Registration

9:30am- 11:00pm Program

**-Participating-***Please Print***Non D. C. Automotive Sales Representatives**

**2010 Washington Auto Show  
Washington Convention Center  
Due by January 20, 2010**

Dealership Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Dealer License Number \_\_\_\_\_

Completed By \_\_\_\_\_ Title \_\_\_\_\_

**Sales Representative's Name****License Number**


*(Photocopy blank for additional listings as needed)*

Prepared for the D.C. Government

**Return by Wednesday January 20<sup>th</sup> to:** Washington Area New Automobile Dealers Association  
5301 Wisconsin Avenue, N.W. Suite 210  
Washington, DC 20015  
(202) 237-7200 Voice • (202) 237-9090 Fax