



THE WANADA BULLETIN

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

WANADA Bulletin # 7-04

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DC DMV UPDATE:

WANADA/DC DMV Meetings Result in Improvements

Title Only Requirements, Hours & Dealer Services Improved

WANADA is pleased to report that a series of on-going meetings with officials at the DC Department of Motor Vehicles has resulted in a number of positive improvements in services to dealers, including a simplification of "title only" requirements, extended hours and enhanced dealer services.

The most notable improvement is a policy change for title only procedures. *No inspection by dealers is needed for title only.* For lien recordations, title only can be processed regardless of a customer's delinquent tickets or other motor vehicle violations.

All used vehicles must also pass DC inspection prior to registration, which is the customer's responsibility.

Dealers are no longer required to send certified letters to customers informing them that the DC DMV has rejected the tag and title application made on their behalf by the dealer for a vehicle purchase because of mo-

tor vehicle violations on the customer's record. The responsibility is squarely on the customer to clear up any outstanding issues with the DC DMV and get their used vehicle inspection.

To assist dealers in this process, WANADA has prepared a camera-ready handout (enclosed with this WANADA Bulletin) for member dealers that

details the responsibilities of DC residents and makes it clear that it is not the dealer's responsibility for getting inspections done in DC.

Dealers are free to continue to offer these services to their customers, but they are not required to do so.

Other recent dealer ser-

(Continued on page 2)

FROM THE F&I FRONT:

Trade Groups Support Expanded Disclosures for Vehicle Financing

In an attempt to head off a growing assault on dealer financing practices, NADA, the American Financial Services Association (AFSA), and the Consumer Bankers Association (CBA) announced last week support for a voluntary disclosure that tells consumers they may be able to negotiate the Annual Percentage Rate (APR) when they buy a car from a dealership. The groups also announced their support for a disclosure that the dealership may receive a part of the finance charge or other compensation for providing the financing.

A preemptive strike in advance of a scheduled dealer financing expose' on CBS' "60 Minutes," the groups made it clear that their support for disclosure is part of a continuing effort to increase consumer understanding of vehicle financing.

Last year, the AFSA Education Foundation and NADA produced a consumer brochure, *Understanding Vehicle Financing* (www.afsaef.org/images/vehicle-financing.pdf), in cooperation with the Federal Trade Commission. The brochure, which covers fundamentals about the dealership financing process, provides a glossary of common vehicle financing terms and a worksheet to allow consumers to comparison shop among different creditors. To date, creditors and dealer-

(Continued on page 3)

Inside...

- Ehrlich Will Not Raise MD Titling Tax.....p.2**
- VA Dealers Call on Lawmakers.....p.2**
- AIADA News: New Chairman, Officers, Program....p.3**
- Dealer Alerts.....p.4**
- WANADA Open.....p.4**

STATE LEGISLATIVE UPDATE

Ehrlich Will Not Raise MD Vehicle Titling Tax

In a major victory for Maryland dealers, Governor Robert L. Ehrlich Jr. announced last week that he will not raise the vehicle excise tax or gas tax. Instead, he proposed raising \$250 million for the Transportation Trust Fund through a variety of increased fees and fines, including a sharp increase in registration fees and higher fines for drunk driving and moving violations.

The governor's plan calls for vehicle registration fees

to increase \$23.50 a year for cars and \$36 a year for trucks, or from \$81 to \$128 every two years for most cars and from \$108 to \$180 for large cars and light trucks. Moving violations would carry a \$50 surcharge and a conviction for drunk driving an extra \$200.

Although vehicle registration fee increases are not welcomed news, MNCTDA and WANADA consider the governor's change of heart on increasing the titling tax from

5% to 6% a tremendous victory for dealers statewide who showed the governor and his staff with scores of e-mails and letters protesting an increase in the titling tax.

Dealers are reminded that these measures must still work their way through the Maryland legislature and are a long way from final. All will be apprised of further developments.

VA Dealers Call On Lawmakers In Richmond With Issues

Dealers from different parts of Virginia came together in Richmond recently to present the dealer agenda to legislators about the business of the 2004 General Assembly. Organized into teams by VADA to "assault the hill," dealers met individually with elected officials to talk about industry issues.

At the top of the list are concerns about proposed increases in the sales and use tax on new and used cars and trucks, as well as "cure offer" legislation designed to give incentives to dealers and customers to expedite resolution of disputes.

Thanks to the visits as well as to those dealers who communicated otherwise, the "Right to Cure" legislation (HB

231/SB 324) appears now to be on the fast track to success. Both the House and Senate bills have passed, and sponsors don't expect any surprises when they switch houses at "Cross-Over" since the bills are identical.

However, budget bills calling for an increase in the titling tax from 3% up to 5% or 5.5% are gaining momentum. Backed by two senior and influential senators, this aggressive stance is a major concern to the industry with dealers emphasizing the potential downscale to the car business in Virginia. All will be kept informed of further developments.

DC DMV Update

(Continued from page 1)

vice enhancements include expanded hours (Tuesday – Saturday, 8:15 a.m. to 3:00 p.m.) and an increased number of walk-in transactions (up to 7) at the Municipal Service Center at 301 C Street, NW, Room 1032.

It is also important to note that, effective Feb. 18, 2004, new 20-day (versus 30-day) dealer temporary tags with enhanced security features will be issued to dealerships in the city.

A list of dealer vehicle registration services, dealer service enhancements and "recently asked questions" are detailed in the DC DMV Dealer Newsletter which was e-mailed to all area auto dealers and is enclosed with this WANADA Bulletin.

For more information on DC DMV policies, contact Lucinda Babers at (202) 724-2034, e-mail address Lucinda.Baber@dc.gov or Nick Champeau at WANADA, (202) 237-7200, e-mail address

Buzz Rodland Takes Helm Of AIADA

New Officers Elected, Dealers Honored

Buzz Rodland of Rodland Toyota in Everett, WA became the new chairman of the American International Automobile Dealers Association at AIADA's 34th Annual Meeting and Luncheon in Las Vegas, Feb. 4, 2004. Rodland, who has built a reputation in the association as a leading grassroots activist, has served for eight years on AIADA's Board of Directors.

"Involvement with AIADA runs deep in my family – my father has been with this association since its beginnings. And I learned early on from him one unyielding, unchanging and undeniable political principle: there is strength in numbers and power in organization," commented Rodland. "I believe in the mission of this organization because I've seen first hand the demonstrable impact international auto dealers can have in Washington when we work together."

In addition to Rodland, AIADA's 2004 Executive Officers include: Chairman-Elect: James Evans, Jr., AutoNation, Inc., Ft. Lauderdale, FL; Vice Chairman: Don Hicks, Shortline Automotive, Aurora, CO; Secretary/Treasurer: Dave Conant, The Conant Auto Retail (CAR) Group, Cerritos, CA.

AIADA also honored David Mungenast, Sr., of the Dave Mungenast Automotive Family in St. Louis, MO, with the association's highest award, the

AIADA Lifetime Achievement Award. A past chairman of AIADA as well as

former motorcycle racer and stuntman, Mungenast's lengthy resume includes years of service to state and national dealer associations and multiple industry honors.

Russ Darrow, Jr., president and CEO of The Russ Darrow group in Menomonee Falls, WI, was honored with AIADA's "Impact Award" for his excellence in political involvement as an automobile dealer.

From the Washington Area, Jack Fitzgerald of Fitzgerald Auto Malls serves on the AIADA Board of Directors.



Buzz Roland

AIADA Lauches NextGen Initiative

AIADA Chairman Buzz Rodland announced the launch of *NextGen*, an initiative aimed at recruiting and training a broad-based group of next-generation AIADA leaders. The initiative will target dealership professionals between the ages of 25-45 who are "savvy, young up-and-comers who have demonstrated a propensity for out-of-the-box business thinking and who have an understanding of the political process," explained Rodland.

NextGen training will include a crash-course primer on the inner workings of the federal government with a particular emphasis placed on the legislative process.

Dealers interested in participating in *NextGen*, or dealers wishing to nominate someone for involvement in the program, should contact AIADA Grassroots Director Marc Ross, 703-519-7800 or rossm@aiada.org.

Vehicle Financing *(Continued from page 1)*

ships have distributed *Understanding Vehicle Financing* throughout the country. The brochure is also available in Spanish (www.afsaef.org/images/vehiclefinspanish.pdf).

"Our action comes from the belief that these disclosures, in conjunction with the brochure distributed last year, will benefit consumers and creditors alike," said Randy Lively, AFSA president and chief executive officer. "It's important that consumers have information that will benefit them in the vehicle buying process."

"We want to help ensure that consumers are satisfied with the auto buying and financing process," said Joe Belew, president of CBA. "This disclosure will help promote that and is part of our broader effort to promote financial literacy. Our goal is to continue to build consumer trust," said NADA Chairman Charley Smith. "And to do so, we must, as an industry, recognize the need for greater transparency in dealer-assisted financing."

DEALER ALERTS!

Thief Hitting Local Dealerships

A Montgomery County dealer member has alerted WANADA that an individual who hit several area dealerships this past summer is back at it. The individual takes a vehicle for a test drive and fails to return. He then takes dealer tags off other vehicles to use later. He sometimes drives one stolen vehicle to the next dealership.


The individual offers a Texas drivers license # 29637391, expires 09/22/08, in the name of Nathan Main, black male, 6' 4", DOB 09/22/73; 319 Sunlight Drive, Dallas, Texas 75230.

He previously used a Texas drivers license # 01495763, expires 10/23/08, in the name of Steve Audi, black male, 6' 3", DOB 10/23/75; 70 Mathews Street, Fort Worth, Texas 76134.

A Montgomery County Police Report # S04005464 is on file concerning this theft; contact the Montgomery County Police Auto Theft Unit, (301) 840-6160. If this individual comes into your dealership, you are advised to contact police immediately.

Family Health Care Too Good To Be True?

Like many member dealers and their employees, WANADA has been receiving faxes offering affordable family health care for only \$89 per month. But on a little closer inspection, this offer turns out to be a "membership" fee to a referral service that acknowledges it is *not an insurance company* and does not provide indemnity to members. The lesson here to member dealers and their employees is age old: If it sounds too good to be true, it probably is! For the best, most cost effective healthcare plans available to dealers, call the WANADA insurance experts, Roberta Reardon or John O'Donnell, (202) 237-7200.



SAVE THE DATE: Monday May 10, 2004
2004 WANADA Open
At the beautiful Lansdowne Resort & Raspberry Falls Golf Courses

That's right, the WANADA Open is *moving* to Lansdowne this year, and it's a spring event you won't want to miss! The Lansdowne Course is a Robert Trent Jones Course and Raspberry Falls is a Gary Player Signature Course. There will also be special guests and fabulous giveaways. Stay tuned for details, but mark your calendars now!

Thought for the Week...

While people retain their virtue and vigilance, no administration, by any extreme of wickedness or folly can very seriously injure the government in the short space of four years.

—A. Lincoln

Enclosures:

- DC DMV Dealer Newsletter
- Sample Handout: Tag, Title and Registration Responsibilities for DC Residents