



THE WANADA BULLETIN

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

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DC DMV delays used car tax calculator until April 1

With bugs in the launching of its online used car tax calculator that DC DMV planned to implement on March 1, 2015, city motor vehicle regulators backed the effective date off until April 1.

As reported in the WANADA Bulletin and elsewhere, the used car value calculator for DC title tax on vehicles retailed by dealers to DC residents is based upon the NADA Used Car Guide, Eastern U.S. edition. City motor vehicle regulators say they will enforce their calculator values irrespective of the actual retail sales price of the used vehicle.

The new system was announced by DC DMV representatives to area dealer participants at the Annual Regional Motor Vehicle Law Conference that WANADA sponsored at The Washington Auto Show. Problems reported with the online system that was set up earlier this month on a trial/testing basis included contact coordinates that didn't work. To get to the corrected dealer seller coordinates as reported in the last WANADA Bulletin click [here](#)

WANADA plans to meet with DC DMV leadership shortly to discuss the tax calculator and other matters. In the interim WANADA dealers need to take care that dealership staff are up-to-date on this by April 1. Contact Joe Koch in the WANADA Office with any questions: (202) 237-7200 jk@wanada.org.

Finance groups urge CFPB to review auto finance guidance



The CFPB's methodology resulted in overestimations of minorities in the population by as much as 41 percent, an independent review found.

Five financial services organizations have sent a letter to the Consumer Financial Protection Bureau urging an adjustment to its auto financing enforcement policy in light of an independent study that casts substantial doubt on the government's analysis. The action was applauded by NADA, AIADA and the National Association of Minority Automobile Dealers (NAMAD).

Two years ago, the CFPB issued guidance urging lenders to change the way they compensate dealers for arranging financing for their customers because of a risk of "disparate impact" or racial discrimination, even if unintended, in the loans issued. The American Financial Services Association (AFSA) then commissioned a study by Charles River Associates (CRA), which was published last November.

The study found that the CFPB's methodology resulted in overestimations of minorities in the population by as much as 41 percent. That means the methodology may create the appearance of prohibited differential pricing where none exists, the letter said.

"The Associations request that the Bureau conduct a thorough review of the CRA study, provide a public response to its findings and recommendations, and correct any bias in its testing methodology, before pursuing further dealer markup discrimination claims through supervisory or enforcement action," the letter continues.

Among other points, the financial groups asked the CFPB to create economic controls to adjust for business factors such as new, used, trade-in, options, insurance and warranties.

"Discrimination in the market simply cannot be tolerated," said NADA President Peter Welch. "However, in light of the rigorous peer review that has cast significant doubt on the CFPB's findings, the Bureau should change course – or at least hit the pause button – and address these new concerns."

In addition to the AFSA, the associations that signed the letter were the American Bankers Association, Consumer Bankers Association, Financial Services Roundtable and U.S. Chamber of Commerce.

Extreme cold could cost metro area economy \$10 million a day

The Washington region has a consumer-driven economy, and with the record-setting cold, consumers have not been the mood to shop for cars or much of anything else except snow shovels and snow boots.

The current cold snap could cost the Washington area economy as much as \$10 million a day, business weather intelligence firm Planalytics told WTOP. Not only do area residents not feel like venturing outside to buy anything, but a greater portion of their income will



Harsh weather may dampen consumer demand this month, but it often bounces back in the spring.

be needed for home heating and perhaps for repair of frozen or burst pipes.

We had a similarly harsh winter last year, though to a lesser extent. But auto sales rebounded nicely in the spring and summer.

Gas guzzlers on the decline, Univ. of Michigan report says

Light trucks and SUVs have been selling well lately as gas prices have fallen. But they are creeping back up, and vehicles of all types have become more fuel efficient over the past several years.

The result: The average fuel economy has improved 4.5 mpg between MY 2008 and 2014, according to new research from the University of Michigan. In 2008, about 24 percent of consumers bought new vehicles with fuel economy between 11 mpg and 17 mpg. By 2014, that figure had dropped to 9 percent.

And in 2014, nearly 41 percent of new-car buyers bought new vehicles with at least 26 mpg. In 2008, just 15 percent did.

Overall, average fuel economy for light-duty vehicles improved from 20.8 mpg for MY 2008 to 25.3 mpg for MY 2014.

Auto industry poorly prepared against hackers, experts say

As cars have more electronics, from keyless entry to GPS, the auto industry is poorly prepared against hackers, security and technology experts said at a meeting organized by the Center for Automotive Research in Livonia, Mich.

Auto companies are several years behind other industries in creating security standards, an IBM executive told the panel, according to the *Wall Street Journal*. Fortunately, other industries such as aerospace have developed standards that could be adapted, TheDetroitBureau.com reported.



The 2015 Chevy Cruze has features like rear park assist that make it a possible target for hackers.

A Delphi technology expert said when the company asked some hackers to perform a test, a 14-year-old boy was able to access a car using \$14 worth of equipment he bought at Radio Shack.

Hackers could access cars through connectivity, Wi Fi, UBS ports or radio signals, panelists said. Every electronic addition, such as keyless entry, creates another possible way to break into a vehicle's system.

“The industry is in the early stages of establishing a voluntary automobile industry sector information sharing and analysis center – or other comparable program – for collecting and sharing information about existing or potential cyber-related threats,” said Wade Newton of the Alliance of Automobile Manufacturers, according to the WSJ.

Driverless cars may mean fewer cars sold

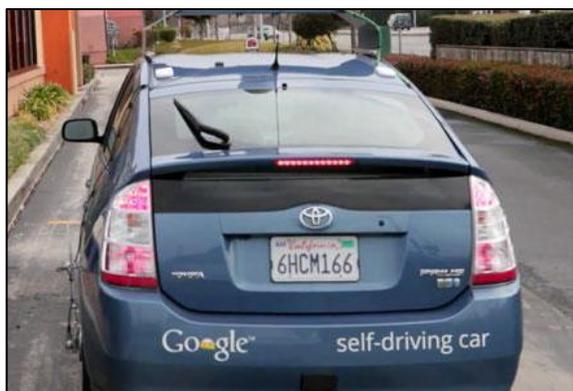
Autonomous vehicles may reduce the number of vehicles a family needs, but may lead to an increase in total miles driven per vehicle, say researchers at the University of Michigan Transportation Research Institute.

Researchers examined U.S. National Household Travel Survey data and found that families rarely use more than one vehicle at a time.

The study is based on the premise that one person could drive the car to work in the morning, for example, and then the car would return home on its own. Another household member could use the car to do errands, and the car would return to pick up the first passenger at the end of the day.

In the most extreme scenario, self-driving vehicles could cut average ownership rates of vehicles by 43 percent – from an average of 2.1 vehicles to 1.2 vehicles per household. But the shift could result in a 75 percent increase in individual vehicle usage, from 11,661 to 20,406 annual miles per vehicle.

What do consumers want in self-driving cars?



Some want to use a self-driving car as a mobile office, others see it as a party on wheels.

“Self-adjusting performance based on weather conditions” is the top choice of 1,000 people polled by Carnegie Mellon University on what they would like to see in a self-driving car.

The rest of the top choices of features, in descending order: Self-parking to find a space; driver fatigue warning; TV or computer in the dashboard; active visual display of car safety features; car that picks you up in the rain and voice command for the visually impaired.

Some of the desires varied by age. Those aged 18 to 24 were more interested than others in a TV or computer in the dashboard, virtual valet and an active visual display of car safety features. People under 35 opted the most to have their cars designed as an office. Millennials also showed the most interest in cars designed to host mobile parties.

Those aged 66 to 70 are the most likely to read in their driverless cars, and those aged 25 to 35 are most likely to watch movies and put on makeup.

Higher percentages of drivers aged 46 to 70 consider these situations safer with self-driving technology: Night driving, driving unfamiliar roads, navigating congested roads, merging traffic situations and doing interstate travel.

Britain starts trial of driverless cars on public roads

Four types of driverless cars are being tested on public roads in four cities in the U.K. – Bristol, Coventry, Greenwich and Milton Keynes. The British government wants to lead other nations in autonomous driving and has spent nearly \$30 million on the project.

One of the cars looks like an oversized golf cart; another is a small two-seater. The cars in the program must have a qualified driver present in case something goes wrong.

The next step, British officials said, is to publish guidelines by this summer for companies to test the vehicles in real driving scenarios such as highways.

As in the U.S., legal and regulatory questions have yet to be worked out in the U.K.

15 best family cars of 2015

Another marketing tool for dealers: Kelley Blue Book has named the 15 best family cars of 2015. The field of 23 family-friendly models started with three minivans, four compact SUVs, four midsize SUVs, two full-size SUVs, two full-size sedans and three mid-size sedans. Added for the first time this year were full-size pickups and compact cars.

The winners, in alphabetical, by brand order: Chevrolet Impala and Tahoe; Dodge Ram 1500; Ford F-150; Honda Accord, Civic, CR-V and Odyssey; Hyundai Sonata; Kia Soul; Nissan Pathfinder; ; Subaru Outback; and Toyota Camry, Highlander and Sienna.

Midlife crisis car: Men want a sports car; women want an SUV

According to a recent survey by CarMax, women are the practical ones in middle age. Just 21 percent of women said they would be likely to buy a car associated with a midlife crisis. A red SUV would be their first choice.

Thirty percent of men said they would be likely to buy a midlife crisis car, and a black sports car came out on top.

When asked for a specific make and model, respondents chose the Ford Mustang and Chevrolet Corvette.

Staying Ahead...

After a lifetime of driving, repairing and studying automobiles, I have come to an unavoidable conclusion – we are the weakest link in a car. As car components go, human beings are deeply substandard – we have imperfect perception, we are ruled by emotion, and we vary wildly in quality.

--Peter Cheney

Auto writer, Toronto Globe and Mail

WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION