

# THE WANADA BULLETIN

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

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## George Will to speak at WANADA's Annual Luncheon Dec. 2, Ritz Tysons Corner



George Will to keynote WANADA's Annual Luncheon.

Members may buy tickets now for WANADA's Annual Meeting and Luncheon December 2, which this year will feature distinguished columnist and commentator George F. Will. The event will take place at the Ritz-Carlton, Tysons Corner, Va.

Will is not only known for his authoritative and lively commentary on national news shows, but is also America's most widely read columnist. His column has been syndicated by the *Washington Post* since 1974 and appears twice weekly in 500 newspapers in the United States and Europe. He received an enthusiastic reception when he spoke at WANADA's Annual Luncheon ten years ago and will surely have plenty to say about the gridlock in Congress and the difficulties on the international stage.

During the Annual Meeting and Luncheon, WANADA leadership will present a comprehensive state of the industry and regional automobile business report to the membership. Members will also elect WANADA's 2015 Board of Directors in the Annual Meeting segment of the luncheon, as Danny Korengold "passes the chairman's gavel" to Dick Patterson.

Luncheon tickets are available now for individual seats or at a discounted table rate. To pay by credit card click [here](#). To pay with a check, click [here](#) and download the registration form. For more information on the Annual Meeting & Luncheon, contact Kristina Henry, director of events, at (202) 237-7200 or [kh@wanada.org](mailto:kh@wanada.org)

## Changes by IRS to high-deductible health plans for 2015

Starting in 2015, the minimum annual contribution to health savings accounts (HSAs) tied to high-deductible health plans will increase, the IRS has announced. The minimum for individual plans will rise from \$1,250 to \$1,300, and for family plans from \$2,500 to \$2,600.

The changes start on a plan's renewal date, *not* on January 1.

## Maryland health exchange for small businesses will start in 2015

Maryland's small business health care exchange for businesses with *less than 50* employees is expected to be in place for next year, reports the *Baltimore Business Journal*. It was originally scheduled to start a year ago, in October 2013; but problems with the Maryland health exchange website delayed the process. The small business exchange in Maryland could be applicable to small dealerships or dealerships with related businesses with 50 or fewer staff.

WANADA members are invited to contact Ed Mullaney with WANADA's employee benefits program for more information. Eligibility for tax subsidies will depend on the number of full-time workers and the average salary at the company. The exchange will operate on an employee choice model, where employers offer a bronze, silver, gold or platinum level of plan. Employees can choose their plan from the level the employer is offering. All of a company's bronze level offerings, for instance, will be similarly priced, though they will be offered by different insurance companies.



A small business could be eligible for tax subsidies through the health exchange.

## Maryland MVA offers advice on title transactions

Maryland Motor Vehicle Administration branches have had to reject many applications for dealer and title service work. The MVA asks dealers to review their transactions before submitting them.

To avoid the most common errors, MVA says to check that:

- Forms are completed in their entirety
- All required signatures are in place
- Full name is provided
- Inspection certificate is submitted
- Powers of attorney are present
- Sale price and date of sale are included
- Full name of the insurance company is provided
- Copies of customer's license and business license are attached

When a transaction is presented for processing and it is flagged, the transaction will be processed as a title only instead of being rejected. This policy will apply to all flags except the following: Central Lien, Court Order, Director's Office, Investigation, Reported Deceased – DHMH, Stolen and Title File.

To use the interactive title and registration manual on the MVA website, click [here](#). If paperwork is continuously submitted improperly, employees of the dealership or tag & title service may be required to attend a mandatory three-hour training program at the Glen Burnie office before the dealer's business license is renewed.

For questions, email the MVA at [mvablcsl@mva.maryland.gov](mailto:mvablcsl@mva.maryland.gov).

## Kevin Reilly presents check from Hyundai dealers for childhood cancer

Washington Auto Show Chairman Kevin Reilly made a presentation about the importance of curbing childhood cancer at Children's National Medical Center recently as part of a Hyundai Hope On Wheels event. Hope on Wheels has been operating since 1998, with its dealers donating more than \$87 million in grants.

With September being National Childhood Cancer Awareness Month, Hyundai and its Washington area dealers presented a \$250,000 research grant to INOVA Fairfax Hospital. Reilly, who is president of Fairfax Hyundai, presented the check. The grant will be used to complete a study evaluating the safety and efficacy of using T cells in high-risk patients with acute leukemia or Hodgkin's Lymphoma after bone marrow transplant.

Washington area children with cancer put their handprints on a white Hyundai Sonata during the check presentation.



Kevin Reilly high fives Ashley Burnette, 11, a Hyundai Hope On Wheels National Youth Ambassador.



The NADA-backed bill for greater CFPB transparency has bipartisan support.

## Dealers urged to contact Congress to support CFPB transparency bill

NADA Chairman Forrest McConnell urged dealers this week to call on Congress to support H.R. 5403, a new bipartisan bill that would nullify the Consumer Financial Protection Bureau (CFPB)'s flawed guidance on indirect auto lending. Since the bill was introduced on September 8, it has gained support in Congress from nearly 100 members of the House on both sides of the aisle.

As noted in this bulletin and elsewhere, H.R. 5403, titled *Reforming CFPB Indirect Auto Financing Guidance Act*, requires the CFPB to provide a public comment period before reissuing any guidance on auto finance. The bill also requires transparency and accountability from the agency by making public any studies, data and analyses used to determine future guidance on auto finance.

The CFPB March 2013 guidance tried to eliminate the flexibility of new-car dealers to discount financing rates offered to their customers because of alleged discrimination against minorities.

“Our message to the CFPB is this: Make sure you fully understand the industry you're attempting to regulate before issuing guidance by allowing for feedback and public

participation,” said McConnell. “Be aware that your actions can harm consumers rather than protect them.”

To locate your House member, click [here](#). For the issue brief on H.R. 5403, list of cosponsors, bill text and a section by section analysis, click [here](#). For more information, click [here](#).

## NADA's media blitz on benefits of dealer franchise system

NADA has been busy lately explaining the benefits of the dealer franchise system in response to widespread publicity about Tesla's effort to circumvent franchise laws in different states. In September, the association had a letter to the editor published in the *Wall Street Journal* and an op-ed piece in the *Fresno (Calif.) Bee* (See Staying Ahead, below). WANADA dealers could use the same reasoning in local debates.

The letter to the *Journal* responded to an op-ed piece, “Tesla Breaks the Auto Dealer Cartel,” by John Kerr with the Institute for Justice, a public interest law firm in Arlington. In the letter, NADA President Peter Welch says Kerr “misses a core reason of why franchise laws exist. They level the playing field between dealers and manufacturers because dealers are prohibited by antitrust laws from negotiating freely with auto makers.”

Dealers are prohibited by antitrust laws from collectively negotiating their contracts with manufacturers on pricing and distribution. “State legislatures passed franchise laws to remedy the antitrust harm against dealers and to help protect consumers,” Welch says. “These laws also have the benefit of adding intra-brand price competition into the marketplace, adding extra consumer accountability on warranty and recall issues, and keeping local ownership of businesses on Main Street.”

## F&I Professionals Workshop, Oct. 7, WANADA headquarters

WANADA offers its popular F&I professionals workshop *next week*, October 7, at the association's headquarters in Washington. The all-day workshop will teach F&I professionals the importance of compliance with all the laws affecting F&I and protecting the dealer's assets.

Topics to be covered include unfair and deceptive trade practices; the Tax Reform Act and FinCen Form 8300; Truth in Lending/Regulation Z; Consumer Leasing/Regulation M; rate speed; the Equal Credit Reporting Act/Regulation B; the Fair Credit Reporting Act; the FACT Act; Gramm-Leach-Bliley; the Magnuson-Moss Warranty Act, and the USA Patriot Act.

WANADA's F&I experts, JM&A, will conduct the training.

For workshop information, contact Kristina Henry at (202) 237-7200 or [kh@wanada.org](mailto:kh@wanada.org). Click [here](#) to register online and pay by credit card.

## House Democrats' bill would regulate automakers on safety

Several House Democrats have introduced the Vehicle Safety Improvement Act, designed to strengthen transparency and oversight for the National Highway Safety Administration.

“The GM ignition switch recall proved that our vehicle safety laws must be strengthened,” said Rep. Jan Schakowsky (D-Ohio), who introduced the bill with Rep. Henry Waxman of California.

The bill would require automakers to:

- Make technical service bulletins public;
- Explain why a fatal incident may have occurred;
- Keep records on possible defects for 20 years;
- Stop limiting recalls to certain parts of the country.

The measure would also eliminate the \$35 million cap on fines and would likely raise it to \$300 million, according to [TheDetroitBureau.com](http://TheDetroitBureau.com).

## Infrastructure investment would add jobs, grow GDP, report says

A new report from the National Association of Manufacturers (NAM) says the economic benefits of targeted public and private infrastructure investment in the next 15 years would be substantial.

“While competitor nations continue to invest in infrastructure, the United States is stuck in a decade-long period of decline in overall infrastructure capital spending that will eventually harm job creation, future productivity and global competitiveness,” the report says.

A 15-year investment in all forms of infrastructure (not just highways) would:

- Increase jobs by nearly 1.3 million
- Grow real GDP 1.3 percent by 2020 and 2.9 percent by 2030
- Result in a \$3 return on investment for every \$1 invested in infrastructure by 2030.
- Give Americans an increase in take-home pay after taxes of \$1,300 per household by 2020 and \$4,400 per household by 2030 (measured in 2009 dollars).

### Staying Ahead...

Local independent dealers provide the most competitive, efficient and consumer-friendly model for the buying, selling and servicing of cars – and policymakers should work to strengthen the franchise model.

--From an op-ed piece in the *Fresno Bee* by Jonathan Collegio of NADA

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