

THE WANADA BULLETIN

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

WANADA Celebrating 100 Years of Service (1917-2017)

WANADA Bulletin # 39-17

October 10, 2017

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WANADA donates \$50,000 to Puerto Rico relief efforts



Flooded streets in San Juan. Puerto Rico National Guard photo by Sgt. Jose Ahiram Diaz-Ramos.

WANADA will make a \$50,000 donation on behalf of its Washington Area dealers to the Flamboyant Foundation to help relief efforts in Puerto Rico. The donation will be made through WANADA Community Support Foundation.

“Auto dealers are known for their deep involvement with philanthropic activities,” said WANADA President and CEO John O’Donnell. “It is natural that they would want to reach out and help the people of Puerto Rico in this tragic time and contribute to the protection of its people and the rebuilding of the island.”

Flamboyant Foundation works with community partners to ensure that educators and families have the resources and support they need to improve educational outcomes for children. In response to the humanitarian crisis caused by the damage and devastation of Hurricane Maria, Flamboyant is currently coordinating a widespread effort to mobilize and deploy services and supplies that meet the urgent needs of the people of Puerto Rico.

The group has activated a team on the island and in DC to assist in the immediate and long-term recovery efforts. For more information, visit www.flamboyantfoundation.org.

CFPB arbitration rule under Congressional review

State and metro auto dealer associations, the U.S. Chamber of Commerce and other business groups are busy fighting a rule on arbitration put in place by the Consumer Financial Protection Bureau (CFPB).

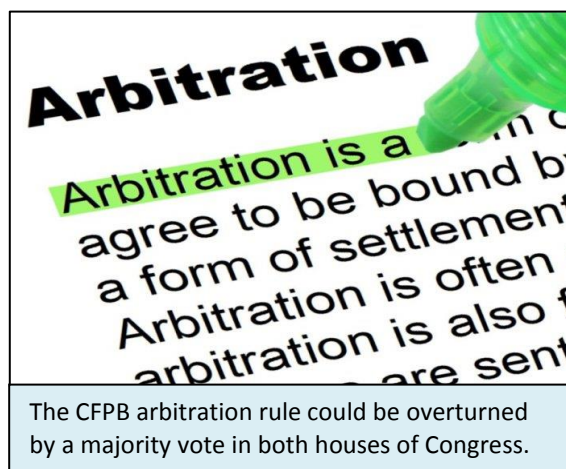
The CFPB rule, issued in July (see WANADA's original coverage [here](#)), permits dealers to ask consumers, as part of a pre-dispute arbitration agreement, to waive their right to participate in a class action suit. The rules are different for lenders. Finance and lease providers under CFPB jurisdiction (as most are) must use a disclosure telling consumers who are subject to pre-dispute arbitration provisions that they have a right to participate in class action lawsuits.

But the disclosure must also include language saying that this right does not apply to motor vehicle dealers exempt from CFPB jurisdiction –in other words, franchised new-car dealers.

The dealer exemption is helpful, of course. But dealers still face indirect liability as a result of the master agreements they sign with finance and lease providers. Based on those agreements, dealers can still be held liable to indemnify finance and lease companies for alleged dealer wrongdoing leading to class action suits that consumers may bring against financial institutions.

But the rule may not become final. Several Republican Congressional leaders are unhappy with the CFPB rule. Under the Congressional Review Act, any agency rule can be overturned by a majority vote of Congress within 60 legislative days after the rule is published in the *Federal Register*. The House has already voted to overturn the rule, and a close vote is expected in the Senate.

The U.S. Chamber of Commerce has an ad campaign urging the Senate to overturn the rule. Auto dealer associations nationwide are monitoring the situation closely. WANADA will continue to provide updates in this Bulletin, so *stay tuned*...



WANADA Annual Meeting is Nov. 17 with Bret Baier at Ritz/Tysons



Bret Baier, Fox News

All WANADA members and friends may now buy tickets for the Annual Meeting and Luncheon on Friday, Nov. 17, at the Ritz-Carlton/Tysons Corner. Popular Fox News anchor Bret Baier will keynote the lunch, offering his insights on the Washington scene and American politics.

Baier joined Fox in 1998 and has reported from Iraq and Afghanistan and interviewed key figures ranging from George W. Bush and Barack Obama to the Dalai Lama.

Before Baier's lunch remarks, the Annual Meeting will include a state of the industry and regional automobile business report from WANADA's leadership. Members will also elect WANADA's 2018 Board of Directors.

New this year is a "Fireside Chat" with Bret Baier. After his lunch presentation, Baier will conduct the *chat* in a room in the Ritz-Carlton with members who sign up for an extra fee of \$50

to attend this exclusive session. Only 40 tickets will be offered on a *first come, first served* basis. Fireside Chat registration will be emailed to luncheon registrants starting Nov. 1.

WANADA members and luncheon guests who do not plan to attend the "Fireside Chat" are invited to attend the post-luncheon "Happy Hour", a great opportunity to mingle and network with other members, friends and associates. The post-luncheon "Happy Hour" will be held from 2:00 to 4:00 pm in the salon area just outside the ballroom where the luncheon takes place.

The Annual Meeting and Luncheon is jointly sponsored by Armatus, BG Products & Services, Councilor, Buchanan & Mitchell and SunTrust. The Fireside Chat is sponsored by WellNet Healthcare. The post-luncheon "Happy Hour" is sponsored by Architects Group Practice and Buch Construction.

Please click [here](#) to pay by credit card or check (invoice).

Dealer fundraiser for Md. Gov. Hogan is a big success



From left, Sam Weaver of Chevy Chase Acura, WANADA CEO John O'Donnell, Gov. Larry Hogan, MADA CEO Peter Kitzmiller.

Maryland Governor Larry Hogan is popular with the business community, and a recent fundraiser at the home of WANADA member Sam and Linda Weaver drew many dealers and business community representatives to this campaign for re-election. A good cross-section of Marylanders came to meet the governor at the event hosted by Sam Weaver, vice president of Chevy Chase Acura and former chairman of MADA.



From left, Nancy Stringfellow, Gov. Hogan, WANADA Chairman Charlie Stringfellow.



From left, Jim Tortorella, CPA, Councilor, Buchanan & Mitchell; Gov. Hogan; and John Bowis, Chevy Chase Acura.

Watch out for flood-damaged vehicles, warns MD MVA

With good advice for dealers everywhere, the Maryland Motor Vehicle Administration reminds dealers that, with the recent hurricanes and mass flooding, they should be on the lookout for vehicles that have been damaged by flood waters, and for titles that have been altered to hide flood damage.

Vehicles that have been damaged by flood waters should be labeled as salvage (marked as a total loss), and the titles should reflect the salvage state of the vehicle.

There are several ways to protect your business from receiving or processing “altered titles” for salvage vehicles.

- Verify the VIN history – Before processing any titles or accepting any vehicles, dealers should verify the VIN history to determine if the vehicle may have been in a flooded area during the period when flooding occurred. Use one or more of the sources, listed below, to verify the vehicle history. Some of the sites offer free services, and others will charge a fee for their services.
- Pre-purchase inspections – Before buying any vehicles, dealers should opt for a pre-purchase inspection to ensure that they are receiving vehicles that have had no previous damage and, most important, no flood damage.

Vehicle verification resources

1. National Insurance Crime Bureau
https://www.nicb.org/theft_and_fraud_awareness/vincheck
2. National Motor Vehicle Title Information System
https://www.vehiclehistory.gov/nmvtis_vehiclehistory.html
3. Vehicle History <https://www.vehiclehistory.com>
4. CarFax <https://www.carfax.com>
5. AutoCheck <http://www.autocheck.com/vehiclehistory/?siteID=0>

If you have any questions or concerns, phone the MVA at (410) 787-7950, or email it at mvablcscd@mva.maryland.gov.

Wes Lutz elected 2018 NADA chairman; Charlie Gilchrist is vice chairman



Wes Lutz (right) and Charlie Gilchrist will head NADA in 2018.

The NADA Board of Directors elected Michigan dealer Wes Lutz as chairman for the 2018 term and Charlie Gilchrist, from Northern Texas, as vice chairman.

“From start to finish, the nation’s franchised new-car dealership network has to benefit consumers in more ways than ever before,” said Lutz, who has been a dealer since 1976. Lutz, president of Extreme Dodge-Chrysler-Jeep-Ram in Jackson, MI, said he will continue to advocate for new-car dealer concerns in the industry, legislative and regulatory affairs arenas as well as to encourage dealers to adapt to the retailing challenges ahead.

Bill Willis of Willis Automotive Group (Chevrolet-Buick-Ford) in Smyrna, DE, was re-elected as NADA secretary; and Bob Shuman of Shuman Chrysler-Dodge-Jeep-Ram in Walled Lake, MI, was elected treasurer.

The term for NADA’s new leadership officially begins at the 2018 NADA Show in Las Vegas next March.

Automakers oppose CAFE standards in comments to EPA; California supports them, raising prospect of two standards

As expected, two automaker groups, the Alliance of Auto Manufacturers and Global Automakers, have submitted comments to the Environmental Protection Agency (EPA) opposing the fuel economy standards approved in the waning days of the Obama administration. California said it still plans to follow those standards, which call for a fleetwide average fuel economy of 51.4 mpg by 2025. The California stance potentially paves the way for a two-tier system, which everyone was trying to avoid.

The issue has been reopened because the 2012 action by the EPA and National Highway Traffic Safety Administration (NHTSA) setting the 2025 standards called for a midterm review to be completed by April 1, 2018. Officials at those agencies finished the review early and announced in January 2017 that automakers were on track to meet the goals and that there would be no changes.

Automakers were startled and disappointed and urged President Trump early in his administration to reopen the midterm review. The president agreed, and the comments late last week are part of that process.

“Any misalignment between the market demands and the requirements will result in less affordable consumer choices, slowed sales, reduced fleet turnover, diminished fuel savings, and potentially lost jobs,” Global Automakers wrote in its comments.

NADA testified against the standards at an EPA hearing last year, saying that they do not reflect changing consumer preferences for SUVs and that vehicle affordability would be a problem if the standards were approved as written.

Trump and EPA Administrator Scott Pruitt are generally sympathetic to industry concerns and have not hesitated to overturn other environmental initiatives created under Obama. But the possibility of two sets of standards could create a problem. The reason automakers agreed to the standards set in 2012 was to avoid two standards. Thirteen states, including Maryland, plus DC follow the California standards.

WANADA will continue to keep members informed on this important issue.

Staying Ahead...

Success usually comes to those who are too busy to be looking for it.

--Henry David Thoreau