

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 #15 -18

April 17, 2018

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Notice to Readers: WANADA Bulletin publication to shift from weekly to bi-weekly

Staying Ahead...

WANADA Dealer Practices Seminar

A service of the Automobile Dealer Education Institute (ADEI)

WANADA will host a Dealer Practices Seminar for its members on Wednesday, April 18, from 8:30 a.m. to 11:00 a.m. at the Bethesda Marriott Suites. WANADA Kindred-line members Charapp & Weiss, LLP and Councilor Buchanan & Mitchell, PC will be presenting and answering questions on these timely topics:

- Ways to avoid being a victim of cybercrime;
- Military Lending Act;
- Tax changes and how they affect dealerships; and
- New MD Sick Leave Policy.

Registration is from 8:30 a.m. - 9:00 a.m. and the session will begin at 9:00 a.m. with continental breakfast.

To register for the seminar, please click [here](#).

WANADA event: What health insurers don't want you to know



WANADA will feature a special forum for its members, "What the Health Insurance Companies Don't Want You to Know," with an executive conversation between the CEO's of WANADA and WellNet Healthcare. The event will take place Thursday, May 3, from 8:00 a.m. to 10:00 a.m. at the Ritz-Carlton in Tysons Corner, VA.

WANADA members and senior finance executives are encouraged to attend. Attendees will gain a comprehensive overview of:

- The underlying problem in the economics of healthcare.
- Ways to build a better health plan at a much lower price.
- Concrete solutions that are working for WANADA colleagues.

Interested members can get a preview of WellNet CEO Keith Lemer's ideas by reading his opinion pieces in the [Wall Street Journal](#) and on [cnbc.com](#). WellNet is a national boutique healthcare management firm.

The forum includes breakfast and complimentary valet parking. Doors will open at 8:00 a.m. and the session will begin at 8:30 a.m.

Register by April 24 by clicking [here](#).

In Virginia, tougher penalties against unlicensed dealers

Virginia Governor Ralph Northam has signed HB 1178 passed by the General Assembly, which permits the Motor Vehicle Dealer Board to obtain an injunction against anyone operating as a dealer without a license. The bill also allows a licensed dealer who suffers injury to his or her business from the actions of an unlicensed dealer to sue to obtain an injunction, and attorneys' fees and costs.

Because of the large number of new delegates in the Virginia General Assembly after the last election, WANADA, in conjunction with VADA, concentrated on educating members on dealer issues, such as the importance of franchise laws and licensing laws. Such laws are critical to enhancing competition and protecting consumers against abuse in an unregulated market.

Auto lending guidance could be repealed; dealer help needed

Dealers could get their wish to have the Consumer Financial Protection Bureau's auto lending guidance repealed, if a pair of resolutions from the House and Senate pass Congress. This action would affect all dealers, and NADA is urging dealers to call their member of Congress to urge a vote for the repeal.

The CFPB issued its auto lending guidance in March 2013 in an effort to limit dealer discretion to offer discounts to customers based on their credit history. The CFPB was concerned that loan markups showed evidence of racial discrimination.

Sen. Pat Toomey (R-PA), a member of the Senate Banking Committee, is eager to repeal the auto lending guidance and believes the Senate panel will do so in the coming weeks.

The Government Accountability Office has determined that Congress can repeal the CFPB guidance with a simple majority, so the Senate does not need 60 votes. But it must do so within 60 legislative days of the GAO ruling, about May 10.

NADA has said that a vote could come as soon as this week. The association urges members to contact their senators and representatives to voice their support for S.J. Res. 57 and H.J. Res. 132. For more information, click [here](#), or call the NADA Legislative Office at 202-547-5500.

Mick Mulvaney is still acting CFPB director. But in a recent hearing before the U.S. Court of Appeals for the D.C. Circuit Court, judges seemed skeptical about whether Mulvaney could be both director of the Office of Management and Budget (OMB) and acting director of the CFPB. The judges' panel has not yet ruled.

NADA survey shows people love owning cars

With all the talk about the future of personal vehicle ownership and the way self-driving cars and ridesharing companies such as Uber and Lyft will change the auto industry, NADA wanted to get the facts. So it commissioned a large research project with consumer focus groups and a national survey. Here's what the research found:

- *Car owners have little, if any, interest in giving up their car keys.*

Only 11 percent of car owners said they were interested in giving up their personal vehicles to move exclusively to an autonomous, ride-hailing service – even if the service was widely accessible, safer and more affordable than human-operated vehicles. That feeling cut across all demographics.

- *Owners say cars are convenient to own.*

Only 16.5 percent of car owners viewed car ownership as a hassle.

- *Millennials aren't much different.*

Only 19 percent of millennials --adults in their 30s--said they would give up car ownership for exclusive ridesharing. And most of those were the younger, mostly urban and mostly single subset of the group. In fact, car buying is rising among millennials. Last year, the percentage of new-vehicle sales to consumers under age 35 was 19.3 percent vs. 16.6 percent 10 years earlier.

- *People won't trade time for money.*

Half of the people surveyed said they would need to save at least \$50 per day to compensate for an extra hour of waiting for ride-hailing services.

- *Bottom line – people love their cars!*

Fully 90 percent of car owners surveyed said that their car provides them the freedom and flexibility to go where they want, when they want. Respondents cited several reasons as benefits of vehicle ownerships: The ability to make multiple trips on an errand-run; take an impromptu trip to another city or state; drive unexpectedly to an emergency room; and have the ability to leave an event earlier or later than planned.

Companies can't void warranties if non-OEM parts used, says FTC

The Federal Trade Commission (FTC) has sent warning letters to six major companies that market and sell cars – including Hyundai – or cellular devices and video gaming systems.

The letters warn that FTC staff are concerned about the companies' statements that consumers must use specified parts or service providers to keep their warranties intact. Unless warrantors provide the parts or services for free, or receive a waiver from the FTC, such statements generally are prohibited by the Magnuson-Moss Warranty Act.

FTC staff has asked each company to review its promotional and warranty materials to ensure that they do not state or imply that warranty coverage is conditioned on the use of specific parts or services. Any failure to correct potential violations after 30 days may result in enforcement action by the FTC.

Notice to Readers:

WANADA Bulletin publication to shift from weekly to bi-weekly

Plans are set to change the publication time table of the WANADA Bulletin from once every week to once every other week. On a yearly basis, this works out to be 26 issues of the WANADA Bulletin as opposed to 52 issues. The changed publication time table may occur as soon as next month.

All will be kept advised.

--The Editor

Staying Ahead...

Have you ever noticed that anybody driving slower than you is an idiot, and anyone driving faster than you is a maniac?

--George Carlin

