

# 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)

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## All members may still attend WANADA Open festivities, June 11



Cakes (above) and JP (below)



The 2018 WANADA Open will be well attended with a full golf tournament. But that shouldn't keep WANADA members from attending the post-tournament festivities, Monday evening, June 11, at the Lakewood Country Club in Rockville, MD.

The cocktail reception and awards dinner immediately following the WANADA Open golf tournament is a great opportunity to network with friends and business associates. There will even be some special guests mingling at this year's cocktail reception and telling some of their favorite golf stories during the awards dinner. Cakes and JP (John Auville and John-Paul Flaim) of *The Sports Junkies* on *106.7 The Fan*, will attend this year's WANADA Open festivities for some added fun and joking around, helping make this year's open an even more memorable event.

Here's the full schedule for WANADA's Open on Monday, June 11, at Lakewood:

9:00 a.m.	Registration, breakfast and practice tee shots
11:00 a.m.	Shotgun start
4.00 p.m.	Cocktail reception
5:00 p.m.	Awards dinner, featuring Cakes and JP of <i>The Sports Junkies</i> on <i>106.7 The Fan</i>

WANADA looks forward to seeing members, guests and friends at Lakewood on June 11! The cost for the cocktail reception and dinner is \$120. To register, click [here](#). For more information, contact Kathy Teich at [kt@wanada.org](mailto:kt@wanada.org), or (202) 237-7200.

## Washington area sales off 4.3% in first quarter

The effects of the Trump administration's effort to "drain the swamp" in Washington may be starting to be felt in the automotive sector in this region. Washington area auto sales dropped 4.3 percent in the first quarter, as they rose 2 percent nationally.

Another reason for the different figures is that the Washington area has generally had a more stable economy without the volatility often seen in other parts of the U.S. Washington area auto sales didn't fall as far as they did nationally during the recession, so they didn't have as far to climb in recovery. WANADA Area Report figures on new vehicle sales are from R.L Polk and can be found through a link at the end of this article. U.S. figures are from *Automotive News*.

Light truck sales continue to rise in the Washington area, though the share is still less here than nationally. Regional truck share – much of which is compact utilities and crossovers – rose to 59 percent in the first quarter, up from 56.8 percent a year earlier. Nationally, light trucks made up a whopping 68 percent of the market, just before Ford announced that it was cutting much of its car line. In the U.S. during the first quarter, truck sales jumped 9.5 percent.

The brunt of the Washington area sales decline fell on cars, which saw sales drop by 9 percent in the first quarter. The drop in light truck sales was just 0.8 percent.

Washington area new vehicle buyers have always been fond of imports, and the 72 percent first quarter share of non-Detroit Three vehicles is just below last year's share of 72.8 percent. Passenger vehicle sales fell in the Washington area, but the consumer clamor for imports is especially strong here, with 82 percent of car buyers choosing imports in the first quarter. That's down slightly from 83 percent a year ago. Area light truck sales also showed a large share of imports, at 65.1 percent. That's slightly above last year's figure, 64.8 percent.

For the complete WANADA Area Report on first quarter Washington market new vehicle sales, WANADA members can click [here](#) and log in with their user name and password.

## Montgomery Students Auto Trades Career Day

The fruits of the Montgomery Students Automotive Trades' Foundation were on display recently as the aspiring auto technicians who engaged in the "Minidealership" curriculum at four Montgomery County Public Schools (MCPS) celebrated their achievements at the annual ATF Career and Awards Day. This unique technician training and education comes from ATF's partnership with MCPS and WANADA that has been years in the making.

ATF's Career and Awards Day took place at Bohrer Park in Gaithersburg, MD, recognizing students from Damascus, Thomas Edison, Gaithersburg and Seneca Valley high schools. More than 300 auto tech students attended the event, along with representatives from 13 sponsoring dealerships, a number of whom are represented on the ATF board of directors. Harold Redden of Fitzgerald Auto Malls is chairman of ATF's board. A variety of auto industry supporters also attended the ATF Career Day, including a number of WANADA Kindred line companies.

WANADA has worked with the ATF nonprofit foundation since 1978, when dealers and MCPS career education professionals founded it.

Throughout the year, ATF students staff the Minidealerships, which are licensed used-car operations that retail donated used vehicles that students have reconditioned for sale. Many of the students graduate to the WANADA-sponsored program at Montgomery College, where they not only are trained as auto technicians, but are employed in dealerships. Several exceptional students from the ATF program this year won scholarships to the Montgomery College Technician Training Program.



From left, Shawn Krasa, principal, Edison High School; Billy Painter, WANADA member services representative; Gabriel Benavides, ATF student; Gerry Murphy, former WANADA CEO and founder of ATF; and Steve Boden, ATF executive vice president.

A curriculum similar to the Montgomery County ATF operates through Fairfax County Public Schools and Fairfax Applied

Technology Education Foundation (FATE). At the post-secondary level in Fairfax, students from FATE are trained at Marshall Academy in Falls Church and Hayfield Academy in Hayfield.

## Crowe-Horwath hosts seminar for dealer attorneys

Kindred-line member Crowe-Horwath, LLP hosted a seminar on May 15 for lawyers who represent WANADA dealers at Maggiano's Restaurant in Tysons Corner, Va. Speakers covered a wide array of important topics including the following:

- Sale-leaseback provisions of dealership land, and the potential benefits for increasing cash flow to expand operations;
- Tax reform and regulatory updates on the federal and state levels, and
- Best practices for handling sexual harassment claims made against dealership employees, both for legal liability and public relations.

Michael Charapp, principal at the law firm Charapp & Weiss, LLP, who participated in the seminar, said the Federal Trade Commission has increased scrutiny on dealerships' digital ads. He said it was imperative that dealerships retain records for all claims they make in promotional materials displayed online. Charapp also covered the positive change in leadership at the Consumer Financial Protection Bureau under the Trump administration. It was also noted that dealerships are at high risk of being victims of cybercrimes, such as phishing and malware attacks.

Other speakers covered the ways that last year's tax bill will affect not just federal income tax rates, but potentially state tax rates as well.

## WANADA hosts F&I Certification Workshop, June 19

WANADA will host a Certification Workshop for Finance and Insurance professionals at its headquarters in DC on June 19. The daylong workshop is a service of WANADA's Automobile Dealer Education Institute (ADEI).

Laws to be covered include: Unfair and deceptive trade practices and fraud; currency transaction reporting; The Truth in Lending Act and Regulation Z requirements; consumer leasing and Regulation M; The Equal Credit Opportunity Act and Regulation B; The Fair Credit Reporting

Act; The Gramm-Leach-Bliley Act; Magnuson-Moss Warranty Act, and The USA Patriot Act; and The Office of Foreign Assets Control. The workshop will also present best practices and legal information specific to Maryland and Virginia.

Participants will take a multiple choice exam at the end of the session and receive a compliance certification after passing the exam. Click [here](#) to register and pay by credit card, or check. For questions, contact Kathy Teich, [kt@wanada.org](mailto:kt@wanada.org) or 202-237-7200.

## Virginia investigators looking for reconditioning fee violations

The Commonwealth of Virginia is sending out field investigators looking for violations related to dealers charging *illegal* reconditioning fees.

This serves as a reminder to all dealers to check their procedures for any add-on fees charged at the point of sale to make sure the dealership is complying with all laws and regulations. Dealers have the right to charge a processing fee and to use fair business judgment in setting the amount, as long as the amount is filed with the Virginia Motor Vehicle Dealer Board and is properly disclosed.

Charging other fees beyond the processing fee may be a violation of law. If dealers have questions on this subject, they should consult their legal counsel.

## In Maryland, privately owned vehicles can't be titled as rentals

The Maryland Motor Vehicle Administration reminds dealers that when they do vehicle sales and titling transactions, privately owned vehicles cannot be titled as rental vehicles. Incorrectly titling a privately owned vehicle adversely affects titling fees, excise tax and vehicle requirements for environmental standards.

To review the definition of “rental vehicles”, refer to the law [here](#). For questions, contact the Maryland MVA at (410) 787-2950 or [mvablcslsd@mva.maryland.gov](mailto:mvablcslsd@mva.maryland.gov).

## Trump signs law to protect auto loan discounts for consumers

After years of work by NADA and dealers across the U.S., President Trump signed Senate Joint Resolution 57, a measure that preserves the ability of auto dealerships to discount loans to consumers. The effort began several years ago, after the Consumer Financial Protection Bureau (CFPB) issued guidance to auto lenders in 2013. Lenders then pressured dealers to stop offering discounted loans to their customers. S.J.R. 57 protects that ability.

NADA continues to encourage dealers to use its fair credit compliance program that can be accessed by clicking [here](#).

### Staying Ahead...

Nothing can stop the man with the right mental attitude from achieving his goal; nothing on earth can help the man with the wrong mental attitude.

--Thomas Jefferson

