



THE WANADA BULLETIN

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

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NADA: Urgent Need to File Grassroots Comments with the FTC

In a joint letter to the national dealer body, NADA Chairman Mike Alford, President & CEO Mike Stanton and ATAEC Chair Greg Remensperger penned the following call to action for the nation's dealers. It has been reprinted in its entirety below due to the tremendous importance and timely manner for comments to be filed.

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As we all know, the FTC has [denied NADA's request](#) for an extension of the public comment period for the proposed UDAP rules. [Determined industry opponents, seeking to demonize all dealers](#), are aggressively working to flood the zone with adverse comments about dealers. We need your help to balance the public record at the FTC.

The FTC's comment deadline is September 12, 2022, and we are seeking comments from dealership employees and customers. The comments can be digital or handwritten.

Dealer employee comments. We urge dealers to launch a letter writing campaign for your employees ASAP. [Attachment 1A](#) shows how to file digital or written comments. The goal is to document the dealership's commitment to customer satisfaction and warn the FTC that the new rules will confuse customers and lengthen the sales process. [Attachment 1B](#) provides key messages for impactful letters.

Customer Letters. You see satisfied customers in your service lanes and showrooms every day. Those very same satisfied customers, if asked at dealerships, could weigh in with the FTC and provide a more balanced public record. [Attachment 2A](#) will help your employees raise the idea of sending comments to the FTC with customers. [Attachment 2B](#) provides some examples of customer letters.

GOALS: We are asking the NADA Board Members to: 1) ask every employee to file comments; and 2) obtain 100 customer comments from each rooftop. Also, please designate someone at your dealership to keep a scorecard of your progress. We know this can be done. Mike Alford's team identified 40 to 50 customers in a couple of days,

We've asked our ATAEs to make two other aspects of our comprehensive response plan a priority: submitting association comments to the FTC and helping to identify dealers to participate in the CAR study. (If you have questions about those projects or need additional information, please let us know.) *Any ATAE that would like to work with their dealers on the letter-writing campaign need just let us know and we will follow up with you directly; several associations are already launching campaigns.*

The FTC has proposed a rule that if finalized without changes, would *drastically alter* the way franchised dealers advertise, sell, and finance every new or used vehicle, and would impose exceedingly burdensome record-keeping requirements. As a result, our customers would spend more time to buy a car, not less as asserted in the FTC's proposed rule.

We of course agree with the concept of protecting consumers, and we are generally supportive of common-sense improvements. However, these new FTC regulations would undermine our efforts to improve the customer experience, provide more of the purchase process online and continue to increase transparency.

We need your immediate help to show the FTC what we already know – the retail automotive market is efficient, transparent, evolving and not systemically flawed. We are meeting the individual needs of the overwhelming majority of our customers.

Mike Alford, NADA Chair
Mike Stanton, NADA, President and CEO
Greg Remensperger, ATAE Chair

ADEI Kicks off Semester at Montgomery College



On August 25, WANADA executives, college officials, manufacturer representatives and participating service managers gathered with an incoming cohort of 30 automotive apprentices to kick-off the 2022 fall semester of the Automobile Dealer Education Institute's (ADEI) Montgomery College training site.

ADEI Chairman Harold Redden of Fitzgerald Auto Malls welcomed the attendees and new students and observed, “This is one of the largest incoming classes we’ve ever had, which is a testament to how great this program is.” Director of Education Joe Hemberger also spoke to the students, challenging the new apprentices to “work hard and dream big.”

The semester kick-off lunch is an opportunity for the students, who spend much of their time working in WANADA member dealer service departments, to interact with program administrators and their fellow students who attend classes on different days. When gathered all together, the true scale of the program is more easily observed.

“We have the largest dealer-sponsored automotive apprenticeship program in the country,” said WANADA President & CEO John O’Donnell. “We’ll have over 60 apprentices who are working in dealerships and attending class at Montgomery College alone. When you factor in our training site at Northern Virginia Community College and our new site in Prince George’s County, which we hope to have up and running inside of a month, we’ll have upwards of 90 apprentices program wide.”



Harold Redden of Fitzgerald Auto Malls, ADEI Chairman



Joe Hemberger,
WANADA Director of Education

ADEI helps aspiring, entry-level technicians find jobs at local dealerships. Once hired, the dealer then sponsors the technician’s education at one of WANADA’s three training sites, where they go to class one day per week. The curriculum is certified by the ASE Education Foundation and includes manufacturer training as well. After two years, the apprentices have enough classroom education and on-the-job training to become ASE-certified master technicians. The dealership pays a portion of the tuition by sponsoring each apprentice, but the vast majority of the program costs are covered by WANADA as a member service.

If you are interested in learning more about ADEI to see if it would be a good fit for your service department, please contact Joe Hemberger via phone or email: 267-346-1700; jh@wanada.org.

WANADA Tag & Title Partner Adds Processing for New York

Early this year, WANADA partnered with Maria's Tag & Title to offer our members a solution for processing title work. Many dealers have already signed up and found the additional processing outlet useful. Whether you are short on title agents or need assistance with out-of-state transactions, Maria's is available to assist. They recently added the ability to process title transactions for New York to their growing slate of jurisdictions, which now include DC, Maryland, Virginia, Pennsylvania, Delaware, West Virginia, and North Carolina. Dealers can outsource as much or as little as they like. After enrolling, WANADA members will pay \$75/transaction, which is a significant savings from other third-party vendors.

To enroll your dealership, email mariastagntitle@gmail.com and copy Joe Koch (jk@wanada.org) to enroll. You can also peruse their document library at <https://www.mariastagntitle.com/wanada/>. Contact Joe Koch at 202-821-5824 or jk@wanada.org if you have any additional questions.

EV Tax Credit Changes in the Inflation Reduction Act

As part of the agreement that led to the Inflation Reduction Act (IRA), the existing Section 30D EV tax credit was substantially modified. Specifically, Senator Joe Manchin (D-WV) indicated he would not support EV tax credit language that did not seek to establish critical mineral and battery component supply chains in North America or with U.S. allies. The main purpose of this was to shift away from supply chains that rely on China and Russia. Senator Manchin also insisted on eligibility caps so the tax credit would no longer benefit wealthy Americans.

Lastly, the new law states that starting January 1, 2023, consumers may be eligible for a tax credit for used cars, businesses may be eligible for a new commercial clean vehicle credit, and manufacturers will no longer face the current 200,000 electric vehicle cap for the consumer tax credit. (GM, Toyota and Tesla had already exceeded the sales cap, and Ford was expected to reach the cap this year.)

Now that the law has been enacted, effective August 17 in order for EVs to qualify for the tax credit *final assembly of the vehicle must occur in North America*. The [Treasury Department and the Internal Revenue Service \(IRS\) released guidance](#) and [FAQs](#) regarding vehicles eligible under this new requirement. Dealers can enter a Vehicle Identification Number (VIN) into a [site provided by Department of Transportation](#) to determine such eligibility.

NADA has provided a [helpful summary](#) for dealers and more information below on the new final assembly requirements, other key requirements placed on the EV tax credit, and the effective dates. Treasury and the IRS will release additional information about EV tax credits under the IRA in the weeks ahead. NADA will continue to provide updates and clarifications as more information becomes available. WANADA is working with NADA to pursue opportunities to improve the EV tax credit and demonstrate that dealers are essential to advancing EVs and consumer adoption of this new market.

Reminders from the Virginia Motor Vehicle Dealer Board

The most recent issue of the Virginia Motor Vehicle Dealer Board's *DealerTalk* newsletter included some important reminders near the end. In case you missed it, here they are:

Dealer Title Helds

The DMV allows dealers to title a customer's vehicle with missing documentation by placing a dealer title held on the vehicle. This stops the title from printing until the missing documentation is provided to DMV (e.g., the prior title is held up by the lienholder). Utilizing dealer title helds allows dealers to meet their 30 day titling requirement when they are still missing documentation normally required to title the vehicle. To place a title held onto a vehicle, the dealer must deliver to the Department an application for title, copy of the bill of sale, all required fees and a written statement of facts describing the dealer's efforts to secure the certificate of title or certificate of origin to the vehicle. DMV only offers this to dealers. However, it is the dealer's responsibility to submit the missing documentation. DMV has noticed an increase in dealers not submitting the remaining documentation to remove the dealer title held. Consequently this delays the customer's ability to receive their title, which causes customer frustrations. It may also reflect poorly on the dealership and should be avoided by submitting the required documentation as soon as it is received. DMV will send letters to the dealership, lienholder and customers advising them of the need for additional documentation to release the dealer title held.

Print on Demand (PoD) Tags

The following reminders provide important information impacting dealer transactions. PoD tags on bond paper is not authorized for use at any time. All PoD temporary tags must be printed on the weather resistant paper supplied by the Department of Motor Vehicles, Dealer Services work center. The PoD tags are not authorized to be emailed to customers. All vehicles must be titled within 30 days of purchase to ensure that titling tax is paid to the Virginia Department of Motor Vehicles as required by law. It is important to note that use of bond paper may result in the loss of your privileges to participate in the PoD program. Also, law enforcement may ticket vehicle owners displaying the bond paper for illegal use of license plates. Orders for the PoD paper will be accepted through Dealer Services Work Center.

To place an order, send an email to: podtemptag@dmv.virginia.gov with the following information: dealer name, dealer number, shipping address, order quantity, tag size(s) (standard/small), and printer make/ model number. Approved order requests will be shipped within five business days. Standard tags will be issued in packs of 100 and small tags (motorcycle/trailer) in packs of 25.

§ 46.2-1559 requires all dealers to maintain a permanent record of all temporary license plates (PoD) issued, and § 46.2 -1529 requires dealers to keep dealer records for 5 years. The Board recommends dealers retain in the vehicle folder, one of the registrations that are printed as part of the PoD tag.

§ 46.2-1561 states in part, no dealer shall lend temporary license plates to any person for use on any vehicle...and...It shall be unlawful for any person to issue any temporary license plates containing any misstatement of fact, or for any person issuing or using temporary license plates knowingly to insert any false information on their face.

VSA 59 Disclosure

Virginia Code §46.2-1602(A)(4) states that "It shall be unlawful for any person to sell a rebuilt vehicle without first having disclosed the fact that the vehicle is a rebuilt vehicle to the buyer." Virginia Code §46.2-1600 defines a rebuilt vehicle as: (i) any salvage vehicle that has been repaired for use on the public highways, or (ii) any late model vehicle that has been repaired and the estimated cost of repair exceeded 75% of its actual cash value, excluding the cost to repair damage to the engine, transmission or drive axle assembly.

When a dealer sells a rebuilt or branded titled vehicle, the dealer must include the VSA 59 Disclosure form for you and your customer to sign. The dealer enters the rebuilt or branded vehicle information into the form. The notice on the VSA 59 states that the title issued by the DMV has been branded "rebuilt" or "branded", and the brand on the title will carry forward. For more information on the VSA 59 and rebuilt or branded vehicle requirements, visit the following link: https://www.dmv.virginia.gov/vehicles/#salvehlawreq/repared_rebuilt.asp.

Save the Date for the 2022 WANADA Annual Meeting!

Currently slated for the evening of November 9 at Columbia Country Club in Chevy Chase, MD, the 2022 WANADA Annual Meeting will be a departure from previous formats.

"We want to change it up every few years," said WANADA President & CEO John O'Donnell. "The Ritz in Tysons Corner will likely continue to be our standard destination, but we wanted to gather everyone for an elevated experience now that the pandemic seems to be well and truly behind us."

The evening will begin with a 5:30 p.m. networking reception, followed by dinner, business and entertainment from 6:30 – 8:30. Confirmed speakers include leading auto industry analyst Glenn Mercer and comedian Tom Shillue.

Glenn Mercer is a well-known automotive industry analyst with decades of experience, first consulting with McKinsey & Company and as an independent contractor, writer and speaker since 2006. Well-traveled on the dealer circuit, Glenn will be familiar to many of WANADA's members, as he is a regular at the NADA Show and has spoken to the WANADA Board as well. He is an advisor to numerous investment firms, notably Greenbriar, Baillie Gifford, and currently Alliance Bernstein; also academic entities (e.g. IMVP), and others (e.g. the Automotive X Prize).

Current host of The Quiz Show and UN-PC on Fox Nation, Tom Shillue frequently appears on The Greg Gutfeld Show and The Five on Fox News Channel. Tom has appeared in his own Comedy Central Stand-Up Special, on The Late Show with Stephen Colbert, Conan, Late Night, Last Comic Standing, and was a correspondent on The Daily Show. Tom frequently appears on The Tonight Show Starring Jimmy Fallon as part of "The Rag Time Gals," Jimmy's barbershop quartet, performing alongside such guests as Justin Timberlake, Kevin Spacey, Steve Carell, Sting, and Tina Fey. The Gals' videos have been viewed over 50 million times! Tom's first book, *Mean Dads For A Better America: The Generous Rewards Of An Old-Fashioned Childhood*, was released on Harper Collins' Dey St. Books. You can currently see Tom perform in theaters across the US, with Greg Gutfeld, on The Gutfeld Monologues Live Tour.

Save the Date for the WANADA Annual Meeting and registration details will be forthcoming soon. The 2022 WANADA Annual Meeting is generously sponsored by BG Crovato Products & Services, Chesapeake Contracting Group, Citrin Cooperman, Penney Design Group, The Keats Group at RBC Wealth Management, and Truist.

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