



March 27, 2020

Greetings from VADA,

Well, we've reached the end of a long, exhausting week for everyone. I know the last several days and weeks have been stressful — mentally, physically, and financially — as the spread of COVID-19 tests our resolve.

One positive is I know the organizations that make up this great association. I know the individuals that lead dealerships from Southwest Virginia to the Eastern Shore, and from Southside to Fairfax. And I have the utmost faith the Commonwealth's franchised dealer community will do its level best to meet the challenges we now face and continue to serve our employees and our customers.

Of course, our work does not cease just because it is Friday. My staff and I have been working tirelessly and around the clock for your benefit. We have, in a short period of time, worked to interpret federal and state laws and regulations, some of which are brand new, to help you make the best possible business decisions.

We are careful to ensure the materials we create and disseminate are easy to read and understand. That said, a lot of what we send to you originates from the federal government or outside sources and is presented to you unchanged to maintain complete accuracy and substance.

Before continuing onto the new federal legislation or the latest material on our website, I will add that our work would be incomplete without the profound assistance of the National Automobile Dealers Association (NADA). Our friends in Washington have done and continue to do a marvelous job on behalf of franchised dealers nationwide. We are grateful for their efforts, their influence, and their collaboration amidst this crisis.

Federal Legislation and Regulation

As you know, both the President and Congress have worked to provide legislative solutions for American businesses and workers. The Families First Coronavirus Response Act (FFCRA) and the newly passed Coronavirus Aid, Relief, and Economic Security Act (CARES Act) will allow important financial relief for many VADA members.

The former is already law, and you've seen on our website information from the U.S. Department of Labor (DOL) about how it works. The latter will become law upon Presidential approval, which is expected to happen quickly.

Both the FFCRA and the CARES Act have generated lots of questions among dealers, partly because the regulatory agencies implementing the laws have yet to provide complete guidance. That is especially true for the CARES Act, which has dealer groups large and small wondering whether and how loans from the U.S. Small Business Administration (SBA) will become available for payroll and other operational expenses.

If you've got questions, we feel your pain. You're wondering about whether to retain, furlough, or terminate employees amidst other key operational decisions. Part of the struggle is that government employees, typically free to assist groups like NADA, have either been furloughed or fired themselves or are so busy they're practically unavailable. Employee furloughs, layoffs, and terminations now may affect your ability to take full advantage of benefits under the CARES Act, and they may affect your ability to have sufficient employees to serve even reduced customer needs once employees start using rights under the FFCRA that becomes effective on April 1. To the extent possible, I encourage everyone to hold on as long as you can until we have all the facts so that we can make informed decisions for our organizations.

Soon, we will administer a new survey to VADA members. Please take two or three minutes out of your day to complete it. The Governor and his administration have asked to see the results, wondering how the coronavirus is impacting Virginia's franchised dealerships. Know that whatever information we share with the Governor will be completely confidential with no identifying information about any respondent or dealer group.

Website Updates

As you know, www.vada.com/coronavirus is our one-stop shop for the latest information surrounding the spread of COVID-19 as it relates to your business. We update the webpage every day. Please check out the latest contents below:

- (1) An employee at your dealership tested positive for COVID-19. Now what?
 - a. [This article](#) describes the steps you should take upon learning someone in your organization has tested positive with the coronavirus.


- (2) Updates about the FFCRA from the DOL, which plays a major role in implementing the new law. DOL's latest information includes:
 - a. An updated FFCRA Q&A page, released late yesterday, with a lot of new guidance found [here](#).
 - b. Fact sheets about (1) [employee paid leave rights](#) and (2) [employer paid leave requirements](#).
 - c. Q&As the [Fair Labor Standards Act \(FLSA\)](#) and the [Family and Medical Leave Act \(FMLA\)](#), and
 - d. The [poster of notice](#) dealers must display in accordance with the FFCRA. There is also a link to [FAQs](#) about that notice requirement.

- (3) The CARES Act
 - a. **Note:** We will provide further information as it becomes available. For now, understand franchised motor vehicle dealers with 500 or more employees seeking SBA loans under the new legislation may face issues or delays because of requirements that franchisors be involved in the loan process. We suggest that dealers seeking loans start the process with an SBA certified lender as soon as possible, but please look out for NADA guidance directed specifically to franchised motor vehicle dealers.
 - b. Gentry Locke provides [a helpful overview](#).

These are unique times. As I mentioned at the outset, what gives me great comfort is the confidence I have in each of you. As an industry, and as leaders in various organizations, we must lead by example and show great courage and resiliency, understanding this too shall pass.

Know you are not alone in this. VADA is here to help in whatever way we can. If you have any questions, please reach out. More than ever, it is a pleasure to serve the new car and truck dealers of Virginia.

Sincerely,



Donald L. Hall
President and CEO