



April 13, 2020

It's been nearly a month since the coronavirus first impacted the majority of Virginia's franchised new car and truck dealers. For weeks, you've steered your businesses through challenging times with great consideration for your employees, customers, and communities. The fight isn't over, but I'm glad to be on your side.

Today, we share a letter from auto industry representatives to the U.S. Treasury and the Small Business Administration (SBA) concerning captive finance companies and Paycheck Protection Program (PPP) loans. See NADA's *A Dealer Guide to Safely Operating Your Dealership During a Pandemic*. Read an article from the *Chesterfield Observer*, detailing how the county's car dealers are working through difficult circumstances. And check out this week's lineup for NADA's Dealership Lifeline Webinar Series.

Moving forward, we will provide updates on a Monday-Wednesday-Friday schedule rather than daily. Of course, no matter which day it is, we will keep you apprised of any major developments. Also, the resources and materials we have shared in daily messages are available online at vada.com/coronavirus. And let us know if you ever need or want more or different information. Remember, we are here for you.

As the PPP continues, auto industry representatives ask that motor vehicle captive finance companies be approved as eligible lenders.

On Friday (April 10), NADA, the American Truck Dealers, the Alliance for Automotive Innovation, the National Association of Minority Automobile Dealers, and the American International Automobile Dealers Association submitted a joint letter to Treasury and the SBA.

The groups request the agencies "immediately exercise their joint authority under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to identify motor vehicle captive finance companies that currently provide commercial loans to dealers/distributors of their affiliated manufacturers as a separate and distinct group of additional lenders under the [PPP]."

Many dealers rely on captive finance companies for various financing needs, but such companies are not expressly stipulated as approved lenders under the PPP. As the letter includes, "This condition is frustrating the goals of the CARES Act by preventing the disbursement of PPP funds to dealers and, in turn, their employees."

"[T]he regulatory dilemma is not that the current categories of eligible PPP lenders *per se* exclude captive finance companies," the organizations continue. "Rather, the problem is that those categories *effectively* exclude captive finance companies by requiring them to demonstrate compliance with the [Bank Security Act] before they can be eligible to make PPP loans to authorized dealers of their manufacturing affiliate's products." That's a tall task for captive finance companies that typically face different regulatory requirements relative to banks.

Read [the full letter](#), including draft guidance language for the agencies to consider.

NADA provides *A Dealer Guide to Safely Operating Your Dealership During a Pandemic*.

As the COVID-19 pandemic has upended how we live and work, NADA provides [A Dealer Guide to Safely Operating Your Dealership During a Pandemic](#) to assist you in maintaining business operations while minimizing unnecessary risks.

The guide offers reliable information from agencies such as the Centers for Disease Control and Prevention (CDC) on keeping employees and customers safe; cleaning and disinfecting dealership facilities and vehicles; and safely handling service and sales operations.

***Chesterfield Observer* highlights how resilient dealers are coping with the spread of COVID-19.**

In an April 10 article, Scott Bass of the *Chesterfield Observer* wrote, “In Chesterfield, the pandemic has shuttered retailers, countless restaurants and small businesses everywhere.” Not immune from COVID-19’s impact are car dealerships, an important economic driver in the area, which have experienced below average sales and service revenue beginning around the middle of March.

Still, dealers are resilient in the county just south of Richmond. Harry Carrion, president of Haley Automotive Group, commented, “Yeah, it’s scary times. But right now, we’re holding our own.” Carter Myers Automotive President and CEO Liza Borches added, “The auto industry has always been, in some ways, not only an essential business but also a steward in the community.”

In addition to Haley Automotive and Carter Myers Automotive, McGeorge Toyota and Don Hall are featured in the [article](#).

Check out this week’s lineup for NADA’s Dealership Lifeline Webinar Series.

NADA’s online presentations continue almost daily from 1-2 p.m. See this week’s lineup below. Recorded webinars are available on the paywall-protected area of [the association's website](#).

- April 14: [Keeping the Wheels Turning in the Accounting Office with a Remote Workforce](#)
- April 15: [Legal and Regulatory Implications of Online Sales – What Dealers Need to Know](#)
- April 16: [NADA All Dealer Town Hall Meeting](#)
- April 17: [ATD 20 Group Best Practices for Truck Dealers In Times of the COVID-19 Pandemic](#)

Let’s have a great week, everyone. More than ever, it is a pleasure to serve the new car and truck dealers of Virginia.

Sincerely,



Donald L. Hall
President and CEO