



April 17, 2020

Greetings from VADA,

In this week's final update, see NADA's new guidance on Paycheck Protection Program (PPP) loan use and forgiveness and more on dealership health and safety concerns. Read the notice from the U.S. Small Business Administration (SBA) after the PPP reached its \$349 billion limit. Watch CBT News' interview with Kevin Reilly of Alexandria Hyundai and Genesis of Alexandria. Check out SESCO's summary of clarifying guidance from the U.S. Department of Labor (DOL). Learn about a new webinar series, premiering Tuesday, from Cox Automotive, and visit past and future webinars from Dixon Hughes Goodman LLP (DHG) and NADA.

NADA creates document to help borrowers under the PPP, releases another addressing dealership health and safety concerns.

Late Wednesday (April 15), NADA released [PPP Loans: Use of Proceeds and Forgiveness NADA Preliminary Guidance](#). NADA circulated the material understanding that many dealers are obtaining PPP loans and may have questions about proper use and loan forgiveness. The association notes this is a preliminary document and does not reflect further anticipated guidance from the U.S. Treasury and the SBA.

On Thursday (April 16), NADA shared [Dealership Health and Safety Concerns During A Pandemic](#). It provides recommendations, links to pertinent NADA webinars and federal resources, and FAQs to address the concerns you might have about the health and safety of your team and customers relative to COVID-19.

After reaching \$349 billion limit, SBA announces it is unable to accept new PPP loan applications.

On Thursday (April 16), the expected came to fruition: We reached the \$349 billion limit Congress authorized and appropriated for the PPP as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Recent notice on [SBA's PPP webpage](#) reads, "The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding."

Thinking this would happen, the SBA issued the following statement when there was still money available.

In the near future, SBA expects the amount of processed PPP loan volume to reach the maximum amount authorized and appropriated by Congress. Once the authorization limit is reached, SBA will not be able to accept any new loan applications for the Paycheck Protection Program. This will mean that lenders will no longer be able to load PPP applications into the Capital Access Financial System (CAFS or E-Tran) [the Lender Gateway]. SBA is unable to maintain a queue for PPP applications. Further, PPP loan amounts may not be adjusted by lenders within the CAFS system. Additionally, once the authorization limit is reached, SBA will no longer be able to accept new lender applications to become PPP lenders. SBA is reaching out to the lending community to make them aware of this eventuality so that they may prepare and inform their small business customers of the situation. SBA will continue to inform its lending partners of new updates should Congress authorize additional funds.

NADA had already joined several national trade associations in sending a [letter to Congress](#), urging the legislative body to provide additional funding. We will keep you updated with any developments from Washington, D.C.

For questions about the CARES Act and PPP, reference [NADA's FAQs document \(updated April 15\)](#). Visit this [Treasury webpage](#), which includes a [top-line one-pager](#). And see [FAQs from the IRS](#) on deferred tax deposits and payments.

Relatedly, the SBA is also not accepting new Emergency Injury Disaster Loan (EIDL) applications due to a lack of appropriated funding. The [SBA EIDL webpage](#) indicates EIDL applicants who have already submitted applications will still be processed on a first-come, first-served basis.

CBT News interviews Kevin Reilly, Owner and President of Alexandria Hyundai and Genesis of Alexandria.

The health and safety of employees has been a major focus for Virginia's franchised auto dealers, including Kevin Reilly, Owner and President of Alexandria Hyundai and Genesis of Alexandria. On [April 7](#), we noted how NBC4 Washington featured Alexandria Hyundai in a segment about dealership operations during the pandemic. Yesterday (April 16), CBT News' Jim Fitzpatrick interviewed Reilly and David Kain, President of Kain Automotive and host of CBT show *Kain and Company*. Watch [the interview](#).

Like other dealers in the Commonwealth, Reilly understands the importance of prioritizing employees and customers. "My employees are like my family, as are my customers, so safety is the number one priority," he said during the interview. In the service department, "we put plastic covering on the seats, we make sure we have protective gear on the technicians, we have plastic covers for the steering wheels, disinfectants, really anything and everything we possibly can do to protect the employees and the customers during this time."

Reilly says the organization has also altered employee pay plans to provide financial support despite a drop off in business. Espousing the message that "we're working through this as a team," Reilly says the company he's been at for 20 years has yet to lay off a single employee during this crisis.

Reilly spoke about the work of [Hyundai Hope on Wheels](#), a 501(c)(3) committed to helping kids fight cancer. As a member of its board of directors, the Northern Virginia dealer said the organization donated \$2.2 million to children's hospitals across the country to help establish mobile testing centers for the coronavirus. Children's National Hospital in Washington, D.C. was one beneficiary. "A lot of times it just helps to get outside yourself and see what you can do for others," Reilly commented. Thank you, Kevin, and all the Virginia dealers who are doing for others during this difficult time.

SESCO summarizes DOL's clarified stance on concurrent leave under the FFCRA.

The DOL clarified its position on concurrent leave under the Families First Coronavirus Response Act (FFCRA). Previously, there were perceived inconsistencies in DOL guidance about whether employers could require employees to concurrently take employer-provided paid leave and expanded family and medical leave under the new law.

DOL's amended guidance permits an employer to require an employee to take employer-provided paid leave—such as paid time off or vacation—and expanded family and medical leave at the same time, except in certain circumstances.

As SESO notes in a thorough summary of the guidance, "an employer may only require an employee to use employer-provided paid leave concurrently with expanded family and medical leave if that employer-provided paid leave could otherwise be used to care for a child."

The above does not apply to emergency paid sick leave under the FFCRA. An employer may not require an employee to use employer-provided paid leave before or concurrently with emergency paid sick leave. Read [SESCO's summary](#).

Cox Automotive to begin five-part webinar series with Dale Pollak.

Next week, Cox Automotive is beginning a five-part webinar series with company Vice President and vAuto founder Dale Pollak. The series will feature live discussions on the state of the auto industry.

The first live event is Tuesday, April 21, 2020 at 2 p.m. and, as [the webinar's registration page](#) indicates, "will focus on the challenges and concerns dealers are facing as the crisis disrupts their business, including: how to handle current used and new vehicle inventory, how digital tools and virtual processes can enable business continuity, and how to prepare for the eventual upturn and implications on inventory." Dealers may submit questions to Pollak in advance of Tuesday's webinar through the registration page.

REMINDER: Learn about the CARES Act and PPP from the accountants at Dixon Hughes Goodman.

Our friends at DHG have conducted two webinars for dealerships on the CARES Act and PPP:

- [The CARES Act and Its Impact on Dealerships](#)
- [You've Applied for – and Hopefully Received – Your Paycheck Protection Loan, Now What's Next?](#)

Click the titles/links above to access the recorded presentations. These webinars provide a thorough examination of the CARES Act and PPP from an accounting firm's perspective plus insight on what to do once you've applied for and hopefully obtained a PPP loan.

See past and future presentations as part of NADA's Dealership Lifeline Webinar Series.

NADA's online presentations continue almost daily from 1-2 p.m. The topics and registration links for tomorrow and Friday are below. Recorded webinars are available on the paywall-protected area of [the association's website](#).

This week's lineup included:

- 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 Townhall Meeting](#)
- April 17: The Best Ideas from ATD 20 Groups: In Times of COVID-19 Pandemic (recording not yet available)

Next week, be sure to catch:

- April 21: [Digital Retailing Disruption - The Dealer Perspective](#)
- April 22: [How to Kick Start Auto Leads During and After COVID-19 Disruptions](#)

Have a great weekend, 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