



April 29, 2020

Greetings from VADA,

If you've obtained a loan through the Paycheck Protection Program (PPP), it's critical your organization develops a plan to properly use that funding to get complete loan forgiveness. Today, view materials NADA and Dixon Hughes Goodman (DHG) designed to help you do just that. Also, see new guidance the U.S. Small Business Administration (SBA) and U.S. Treasury issued regarding the PPP. Check out the latest VADA High Octane Podcast about how dealers are responding to the pandemic. See data from Cox Automotive about April auto sales. And read the latest concerning the 2020 VADA Annual Convention.

You've obtained PPP funding; now, create a plan for proper use and forgiveness. Plus, see new guidance from the SBA and Treasury.

Many franchised auto dealers applied for and obtained funding through the PPP. Now, it's critical you work with your dealer group's controller and outside accountant to create a budget or a plan for proper use of the funding. This upfront planning will increase the likelihood your business obtains complete loan forgiveness.

In consultation with your controller and accountant, consider materials from NADA and Dixon Hughes Goodman to help you with this process:

- NADA: [PPP Loans: Use of Proceeds and Forgiveness \(NADA Preliminary Guidance\)](#)
- DHG: [You've Applied for – and Hopefully Received – Your Paycheck Protection Loan, Now What's Next?](#) (webinar)

Also, the SBA and Treasury have issued new PPP guidance:

- [Joint Statement by Secretary Steven T. Mnuchin and Administrator Jovita Carranza on the Review Procedure for Paycheck Protection Program Loans](#) (April 28, 2020)
- [Interim Final Rule on Seasonal Employees](#) (April 28, 2020)
- [Interim Final Rule on Disbursements](#) (April 24, 2020)
- [Frequently Asked Questions \(Question 37\)](#) (April 28, 2020)
- [How to calculate PPP loan amounts](#) (April 24, 2020)

For more, visit [SBA's PPP webpage](#) and [Treasury's webpage about the CARES Act](#).

Learn how dealers are responding to the pandemic from VADA GM Jason Wilson in our latest High Octane podcast.

Though we're unable to access our VADA HQ podcast recording studio, that doesn't stop us from getting creative and bringing important information to our dealers. This time, we used a Zoom video call to connect VADA General Manager Jason Wilson with VADA's communications partner, Jeff Kelley.

Jason offers insights from numerous discussions with dealers around Virginia in recent weeks. With the coronavirus pandemic lockdowns now in their seventh week, are dealers seeing sales and service volumes starting to rebound? What are dealership leaders doing to take care of employees? And how are dealers innovating with new offerings — and will these innovations last? Watch and/or listen to the podcast, linked below, for insight.

- [Video](#)
 - [Apple Podcasts](#)
 - [Google Play](#)
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Cox Automotive says April U.S. sales volume and pace at historic lows. But demand is starting to recover.

Historic lows are expected in April as the full effects of COVID-19 are felt across the U.S. auto market, according to VADA Program Partner Cox Automotive. Among the numbers:

- Light-vehicle sales volume is expected to finish near 620,000 units, down 53% compared to last April and down 37% compared to March 2020.
- After incorporating seasonal adjustments, the annual vehicle sales pace in April is expected to finish near 7.5 million, down significantly from March's 11.4 million and far below April 2019's 16.5 million.

While the forecast is disheartening, there is a silver lining. "April is likely to be the sales bottom for the vehicle market during this crisis. Recent sales data suggests demand is starting to recover modestly after the initial shock in March and early April," notes Charlie Chesbrough, a Cox senior economist. "Year-over-year daily declines, while still high, are consistently showing improvement over recent weeks. Some people want to buy a vehicle or need to buy a vehicle, even in a pandemic."

Read the [full release from Cox](#).

Unfortunately, we've had to cancel this year's VADA Annual Convention. We'll see you next year!

Sometimes, the right decision isn't the easiest. VADA has decided to cancel this year's VADA Annual Convention in June due to the pandemic.

While 2020 is out, we'll pick back up next year at The Omni Homestead Resort in Hot Springs, Virginia! The convention will be held June 24-27, 2021, and we look forward to celebrating with you and your family there! [Click here](#) to add VADA Annual Convention 2021 to your calendar.

Lastly, if you, like us, were looking forward to visiting the Omni Grove Park Inn in Asheville, N.C., don't worry! We'll be there for our convention in 2022.

More than ever, it is a pleasure to serve the new car and truck dealers of Virginia.

Sincerely,



Donald L. Hall
President and CEO