

# Dealer Advisory

April 16, 2020



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A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. [Click here](#)

## Additional Guidance on Paycheck Protection Program Loans

Dealers are now obtaining loans under the Paycheck Protection Program (PPP) and having those loans funded. The next set of questions confronting dealers involve what those loan proceeds can be used for and whether and to what extent the loan, if used properly, can be forgiven. [This new NADA analysis](#) seeks to provide direction on some of the central questions raised in this context. Additional guidance is anticipated soon and will be critical to answering questions.

U.S. Department of Treasury has also updated its [FAQs on Paycheck Protection Program Loans](#) (April 15).

### Other updated resources...

Apr. 15 -- [NADA FAQs of the CARES Act and Dealerships](#)

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## Note on Economic Injury Disaster Loan (EIDL)

The SBA had added a *Lapse in Appropriations Notice* to its website. SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis. ([see notice](#))

## Installment Seller Licenses

*New FAQs from the Michigan Department of Insurance and Financial Services*

### Motor Vehicle Installment Seller and Sales Finance Company Licensees

The novel COVID-19 pandemic presents many challenges for Michigan financial services licensees and registrants and their borrowers. To provide licensees, registrants, and consumers with information, guidance, resources, and answers to frequently asked questions, the Department of Insurance and Financial Services (DIFS) has established a website devoted to COVID-19 related issues. Specific FAQs for the motor vehicle installment seller and sales finance program can be found at: [Frequently Asked Questions for Motor Vehicle Installment Seller and Sales Finance License](#). Licensees are encouraged to check the page frequently as additional FAQs will appropriately be added as they are approved by DIFS. For your convenience the FAQs as of today are stated below:

#### 1. Will DIFS extend the April 1, 2020 due date for filing the motor vehicle installment seller and sales finance company annual activity report?

Yes. The filing due date for the installment seller and sales finance company annual activity report under the Motor Vehicle Sales Finance Act is extended to April 30, 2020. Motor Vehicle installment seller and sales finance company licensees are required to file the report using the DIFS web portal. As a reminder, installment seller and sales finance company license renewals will not be approved if a licensee does not file its annual activity report.

#### 2. Can a buy-here pay-here motor vehicle installment seller licensee stay open and collect

**installment payments?**

Yes. Installment sellers and sales finance companies licensed under the Motor Vehicle Sales Finance Act are authorized to collect and receive payments on existing motor vehicle sale contracts as a consumer financial service provider per Department of Insurance and Financial Services Bulletin 2020-21. This authorization does not extend to conducting motor vehicle sales. Authorization to conduct motor vehicle sales is through the Department of State.

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**Next step for dealerships...finance license renewals**

We are in communication with DIFS to ask about the spring renewal of installment seller licenses. At this time it appears they are planning to send renewals as planned. We will update dealers as we learn more about dates and details.

**What email address is on file with DIFS for your dealership?**

We anticipate renewal paperwork will again be sent to the email address on file for your dealership. (Sent from DIFS-CFRenewals@michigan.gov.) If your staff is working remotely, or if the person who handled the renewal last year is not currently employed by your dealership, please take steps to make sure their email inbox is being monitored.

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**Reminder: Dealership Activity Is Being Monitored**

Many dealers have informed us that local and state police are monitoring dealership operations. Authorities have parked in dealership lots watching activity and checking for compliance with Governor Whitmer's Executive Order [2020-42](#). Please take this as a reminder that business is **not** operating as normal. Ensure your dealership and staff are operating within the governor's orders and following all CDC guidelines.

Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

*This advisory has been prepared in conjunction with  
Colombo & Colombo, P.C., and Abbott Nicholson, P.C.*

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**Michigan Automobile Dealers Association**

1500 Kendale Boulevard, P.O. Box 2525  
East Lansing, MI 48826-2525  
[www.michiganada.org](http://www.michiganada.org)  
Phone (517) 351-7800  
Fax (517) 351-3120

**Detroit Auto Dealers Association**

1900 West Big Beaver  
Troy, MI 48084-3537  
[www.dada.org](http://www.dada.org)  
Phone (248) 643-0250  
Fax (248) 643-8788