

Dealer Advisory

April 24, 2020



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Governor Whitmer Extends Stay Home, Stay Safe Order

Governor Whitmer has issued [Executive Order 2020-59](#), extending her "Stay Home, Stay Safe" order through May 15. The governor finds it reasonable and necessary to reaffirm the measures set forth in Executive Order 2020-42 (the previous stay home order), amend their scope, and extend their duration to May 15, 2020, unless modified earlier.

The new order lifts certain restrictions previously in place and starts the process of gradually resuming in-person work and activities that were temporarily suspended under prior orders. However, in doing so, she reminds residents and businesses that we must move with care, patience, and vigilance, recognizing the grave harm that this virus continues to inflict on our state and how quickly our progress in suppressing it can be undone.

The order will ease up on some restrictions on members of the public. For example, it will allow motorized boating and golf (but no golf carts), consistent with sound social distancing. It will also permit individuals to travel between their residences, though such travel during the epidemic is strongly discouraged.

The new order will require people to wear homemade, non-medical grade face coverings when they enter enclosed public spaces. **It will also require employers to provide at least cloth face coverings to their employees.**

The governor's actions today are in close alignment with other Midwest states.

[Read the full press release](#)

What Does This New Executive Order Mean for Dealerships?

Dealership showrooms must remain closed to the public. However, effective today, customers now have authorization and can feel comfortable commuting between their home and the dealership to facilitate the sale, lease or delivery of a vehicle, though final signatures must continue to take place outside of the showroom. Dealership repair and maintenance facilities continue to be open to in-person sales, as in all the governor's previous stay home orders.

Sections of the Executive Order 2020-59 that specifically address motor vehicles, include:

Section 7(a)

Exceptions: Individuals may leave their home or place of residence, and travel as necessary:

(7): To obtain necessary services or supplies for themselves, their family or household members, their pets, and their motor vehicles.

- (A) Individuals must secure such services or supplies via delivery to the maximum extent possible. As needed, however, individuals may leave the home or place of residence to purchase groceries, take-out food, gasoline, needed medical supplies, and any other products necessary to maintain the safety, sanitation, and basic operation of their residences or motor vehicles.
- (B) Individuals may also leave the home to pick up or return a motor vehicle as permitted

under section 9(i) of this order, or to have a motor vehicle or bicycle repaired or maintained. ***[This sentence has been added to this newest executive order.]***

Section 9(f):

For purposes of this order, critical infrastructure workers also include: Workers at retail stores who sell groceries, medical supplies, and products necessary to maintain the safety, sanitation, and basic operation of residences or motor vehicles, including convenience stores, pet supply stores, auto supplies and repair stores, hardware and home maintenance stores, and home appliance retailers. ***["motor vehicles" has been added to this newest reading of the executive order.]***

Section 9(i):

For purposes of this order, critical infrastructure workers also include: Workers at motor vehicle dealerships who are necessary to facilitate remote and electronic sales or leases, or to deliver motor vehicles to customers, provided that showrooms remain closed to in-person traffic. ***[Unchanged.]***

[Important new information]

Section 15 discusses the required use of face masks: Effective on April 26, 2020 at 11:59 pm:

- (a) Any individual able to medically tolerate a face covering must wear a covering over his or her nose and mouth - such as a homemade mask, scarf, bandana, or handkerchief - when in any enclosed public space.
- (b) All businesses and operations whose workers perform in-person work must, at a minimum, provide non-medical grade face coverings to their workers.

The governor continues to follow the original guidance set forth by the Director of the U.S. Cybersecurity and Infrastructure Security Agency. Section 8 reads: For purposes of this order, critical infrastructure workers are those workers described by the Director of the U.S. Cybersecurity and Infrastructure Security Agency in his initial guidance of March 19, 2020 on the COVID-19 response ([available here](#)). This order does not adopt any subsequent guidance document released by this same agency.

The governor did state that additional discussions are taking place for the consideration of relaxing restrictions described in this EO. She will evaluate the continuing need for this order prior to its expiration. In determining whether to maintain, intensify, or relax its restrictions, she will consider, among other things,

1. data on COVID-19 infections and the disease's rate of spread;
2. whether sufficient medical personnel, hospital beds, and ventilators exist to meet anticipated medical need;
3. the availability of personal protective equipment for the health care workforce;
4. the state's capacity to test for COVID19 cases and isolate infected people; and
5. economic conditions in the state.

This new order requires dealerships to continue working remotely and electronically to handle vehicle transactions. It does provide welcome guidance on delivery of vehicles, which may take place at the dealership (though still outside of the showroom), or a customer's house or other location.

MADA and DADA will continue to address dealers' concerns regarding the ability to open the showrooms as soon as possible and in a safe manner for customers and employees. We will review any further clarification that is released on this order and report to dealers with any updates.

Reminder About "Wet" Signatures & Processing Vehicle Transactions While the SOS is Closed

The Michigan Department of State (MDOS) emailed dealers yesterday with a few important notes and reminders. Among them, a reminder that **vehicle transactions still require a "wet signature" on the Federal Odometer Disclosure.**

In Executive Order [2020-41](#), Governor Whitmer provided guidance regarding the acceptance of digitally signed documentation. At this time, MDOS is not able to accept fully digital documented transactions.

Digital faxed or emailed signatures are permissible on the RD-108 (provided they are accompanied by a certification page/receipt from the digital processor). The Department of State is still requiring a “wet signature” on the Federal Odometer Disclosure. This includes the portion of the vehicle title utilized for mileage attestation, or for new vehicles and lease buyouts, the signature on an Odometer Certification Form (BDVR-108).

The MDOS email went on to remind **MiEFS participating dealerships** that they should process transactions on CVR, and mail the required paperwork to MDOS as required. Currently, CVR is fully operational.

If your dealership does not yet utilize CVR, the state asks you to consider doing so. In the meantime, please retain all title paperwork that requires branch processing. *(MADA and DADA members may then email a copy of each completed RD-108 to Debbie Stapleton-Korn at dkorn@michiganada.org for delivery to an SOS office.)*

Individuals interested in obtaining additional information regarding CVR may contact the MiEFS help desk at the Michigan Department of State by emailing: dealerdirect@michigan.gov.

At this time, **MDOS does not have a definitive timeline for reopening the branches for processing**. Note: It is probable that any BFS-4 temporary registration issued may expire prior to the vehicle being retitled and/or registered by the Michigan Department of State. Please remember that only one BFS-4 may be issued per vehicle. Law enforcement is aware that branch offices are not processing work and is sensitive to the fact that BFS-4s may be expired.

U.S. House Passes \$484 Billion Bill

The U.S. House of Representatives passed [an additional \\$310 billion to the PPP emergency lending program](#). President Trump is expected to sign the bill shortly. This time, lawmakers set aside \$60 billion intended for smaller lenders, minority-owned small businesses and those with limited or no bank relationships.



Note: The new deal sets aside \$30 billion of the additional PPP funds for loans made by federally insured lenders with assets between \$10 billion and \$50 billion. It reserves another \$30 billion for loans made by community financial institutions and small federally insured banks and credit unions with assets under \$10 billion.

Once President Trump signs the bill, it will give dealers the opportunity to apply for a loan if they were unable to get a loan approved and funded in the first round. Applicants who did not get funded the first time should contact their lenders as soon as possible.

Note: Tax benefits not available for PPP (revised information). Dealers who obtain a PPP loan **will not** be able to defer the payment of payroll taxes once the loan is forgiven. Additionally, dealers with PPP loans are unable to utilize the employee retention tax credit provided for in the CARES Act.

Both these issues are discussed in [NADA's CARES FAQs](#). NADA recommends dealers consult their financial advisors.

Related legal alert from Fisher Phillips: [Feds Issue Warning To Employers Accepting COVID-19 PPP Loans – And Provide Escape Plan](#) (Apr. 23)

NADA Lifeline Webinars on Next Week's Schedule

- Monday, Apr. 27 -- Online Selling Overview and Vendor Guidance
- Tuesday, Apr. 28 -- Proven Fixed Ops Strategies During COVID-19
- Wednesday, Apr. 29 -- Reducing Annual Health Insurance Costs By Up To 7 Figures Within 90 Days
- Friday, May 1 -- The Best Ideas from NADA 20 Groups, Part 3: In Times of COVID-19 Pandemic

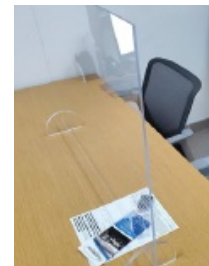
Recordings of all webinars in NADA's Lifeline Series are accessible to NADA and ATD members at www.nada.org/coronavirus/webinars.

Additional resources you may find helpful in your planning:

- [NADA Guide: Safely Operating your Dealership During a Pandemic](#)
 - [NADA FAQ: Dealership Health and Safety Concerns During A Pandemic](#)
 - [Fisher Phillips Post-Pandemic Back-To-Business FAQs For Employers](#)
 - [White House: Opening Up America Again](#)
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TW Sneeze Guards

While Michigan showrooms will soon be open again for customer traffic, the way we interact will undoubtedly be different. Todd Wenzel Automotive in Grand Rapids developed an acrylic barrier to support the health and safety of their service department employees during the COVID-19 crisis. The barrier can be placed on sales, service, parts and cashier desks to help minimize the spread of germs during customer and employee communications. The dealership would like to offer these TW Sneeze Guards to other dealers who may be interested. Please see [this handout](#) for information.



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
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