

Dealer Advisory

July 7, 2020



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PPP Recipients Are Now Public Record

Yesterday, the Small Business Administration (SBA) and U.S. Department of Treasury published state-by-state lists of recipients of the Payroll Protection Program (PPP) loans on their website. This information is now a matter of [public record](#) for anyone to research and inquire.

Companies that borrowed less than \$150,000 are identified primarily by location. Those that borrowed \$150,000 or more are identified by company name and location. We have already seen full or partial lists of Michigan borrowers posted on Michigan news websites such as [Crain's Detroit Business](#) and [The Detroit News](#).

Dealers may receive inquiries from “curious” media and social or public opinion types who will want to know why your small business participated in this loan program.

If you choose to speak with media or others, keep in mind the main purpose of this program -- to protect the paycheck of employees. This program, created by Congress, was appropriately named and designed to provide financial support to small businesses during a pandemic that shut down businesses and forced many employees to stay home and out of work.

The Paycheck Protection Program provided dealers a way to continue paying employees who were temporarily out of work due to the shutdown. It supported families by preventing layoffs and terminations. It also provided financial support to the business, which made it possible for many dealers to continue providing medical, dental, vision and other benefits to employees who were not working.

This program was designed to keep your business operations uninterrupted, so that you could take care of your employees, your customers and your communities during one of the most trying business times in United States history.

NADA has created a [fact sheet](#) that can be used as talking points to answer some of the questions you may receive. Small business is the lifeblood of most local economies in this country, but are often the target of those who are unaware of the complexity of operating one, let alone an automobile dealership, which has one of the most complicated operational footprints of any business model.

If you have questions please contact your association.

News from NADA: PPP Reopens

Over the weekend President Trump signed a bill to reopen the \$660 billion Paycheck Protection Program (PPP). This law will keep the PPP open to all small business applications **until August 8**. There is approximately \$130 billion available for potential PPP loans.



- NADA urges dealers who still want to apply for a PPP loan to review the loan application, a lender lookup, eligibility information and other important rules, available on the [Small Business Administration website](#).
- A NADA webinar on the PPP extension is scheduled for July 15.
- See NADA's [How Congress' Paycheck Protection Program Benefits Dealership Employees](#).

Note: The PPP, created by Congress as part of the CARES Act, has proved critical to dealership employees. Many dealers who received a PPP loan have used it to keep employees on the payroll or bring back furloughed or terminated employees, even though economic conditions would have otherwise forced those dealers to make drastic and permanent workforce reductions. Many dealers will end up devoting 100% of their PPP loans to payroll expenses.

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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