

Dealer Advisory

March 30, 2020



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A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. From the [home page](#), go to the *FAQ* tab and select *Coronavirus Toolkit* or [click here](#).

Emergency Vehicle Sales Update from the SOS

NEW! Over the weekend, the secretary of state's office informed us that if a dealer has an "emergency" request for a vehicle to "sustain life or to support other work or workers sustaining life at this critical time," then the dealer can contact their association with the following information regarding the requested sale:

- Worker's first, middle, and last name, and date of birth as they appear on their Secretary of State provided credential.
- Worker's needed transaction with the Secretary of State office and relevant identification number (license number, vehicle registration number, etc.).
- Critical function the driver performs for sustaining life during the coronavirus outbreak.
- Worker's phone number and email address.

This information would be forwarded to the association. The association would then go directly to a contact at the SOS to make the determination if the person meets the qualifications for the "emergency exemption." If the request is granted, only then can the sale take place under the strictest COVID-19 and CDC parameters.

We realize very few requests will meet this definition, but it is at least an option that is now available. MADA and DADA will continue to communicate with the governor's team to ask about limited exceptions for certain additional vehicle sales.

With the passage of the COVID-19 Phase 3 stimulus package on Friday evening, we do want to pass along information and new resources about that package, as well as reminders about the COVID-19 Phase 2 package.

As we mentioned previously, interpretation and clarification of the new federal stimulus packages is very fluid at this time. MADA and DADA are working with many different professional groups to get current information and resources to help dealers understand their obligations and opportunities under the two acts.

Federal Small Business Loans

Coronavirus Aid, Relief and Economic Security Act (CARES). For the period from February 15, 2020 to June 30, 2020 (covered period), the law allows the SBA to provide 100% federally-backed loans up to a maximum amount to eligible businesses to help pay operational costs like payroll, rent, health benefits/insurance premiums, interest, and utilities.

Steps for dealers to take now...

- Compile information required in order to file. This includes 12 month payroll data and status of employees (working, temporary leave, terminated, etc)
- Contact your bank / captive financing to find out if they are a qualified SBA lender and if they can help process your application. Get a good contact name and number for follow up.

We are told application forms are not yet available from the federal government, but they should be available early this week.

We are also working with CPA groups who are in the process of developing a webinar with more detailed information for employers. We will have more information soon.

Information from NADA and the U.S. Chamber of Commerce

NEW! Mar. 30 -- NADA Blog: [U.S. Chamber Issues Summary of New SBA Loan Programs](#)

The package authorizes the Small Business Administration to administer an additional \$349 billion in loans to small businesses, including auto dealerships. Known as The Paycheck Protection Program, these loans will be forgiven if payrolls are maintained through the COVID-19 crisis and afterwards. The U.S. Chamber of Commerce has [created a guide](#) to help small businesses and self-employed individuals figure out if they qualify for The Paycheck Protection Program.

Do you have 500 employees? A key provision of the program is that only employers with 500 or fewer employees are eligible to apply for covered loans. NADA notes that the 500 employee provision for the CARES Act is **NOT** the same as the 500 employee requirement present in the recently enacted FFCRA.

NEW! Mar. 27 -- Guidelines from NADA

[The 500 Employee Size Limit in the Small Business Loan Section of the CARES ACT: How Does it Apply to Dealers?](#)

NADA also created the [NADA Coronavirus Hub](#) with updates on advocacy, regulatory, business operations and more.

Additional resources to help employers understand the rules:

NEW! Mar. 27 -- Program overview from UHY LLP, Certified Public Accountants
[Congress Passed CARES Act, Details on Paycheck Protection](#)

Mar. 26 -- Fisher Phillips legal alert

[CARES Act Stimulus Will Permit Business Loans To Cover Payroll, Expand Unemployment](#)

Federal Paid Sick Leave and Expanded Family & Medical Leave

Families First Coronavirus Response Act (FFCRA). Gives all American businesses with fewer than 500 employees funds to provide employees with paid leave, either for the employee's own health needs or to care for family members.

Reminder: these new leave provisions take effect on Wednesday, April 1, 2020

The DOL is regularly expanding and updating its questions and answers about the act. NADA and Fisher Phillips are also reviewing and frequently updating their interpretations of the new laws as they impact dealerships. We encourage dealers to regularly review the guidance available so you are best able to support your employees.

NEW! Mar. 29 -- U.S. DOL document updated

The U.S. Department of Labor's (DOL) Wage and Hour Division (WHD) issued another revised version of its [Families First Coronavirus Response Act \(FFCRA\): Questions and Answers](#) document.

Also see:

- [COVID-19 and the American Workplace](#) (DOL's central web page for information)
- [DOL employee notice](#) (must be posted at the dealership by April 1)

- [Frequently asked questions about the DOL notice](#)

Additional resources to help employers understand the rules:

Mar. 27 -- NADA updates FAQs

NADA is in the processing of updating its [FFCRA FAQs](#) to reflect the new changes to the federal document. Please check back soon.

NEW! Mar. 29 -- Fisher Phillips issues legal alert

[Labor Department Throws COVID-19 Curveball In Latest Guidance, Suggests Shut Down Employees Won't Qualify For Leave](#)

Local Health Department Emergency Orders

Local health departments have begun issuing orders for essential businesses that remain open during the governor's "stay home, stay safe" order. We have begun linking local orders within the MADA [Coronavirus Toolkit](#) when possible, but we may not hear of actions taken by local governments in a timely manner. Dealers are welcome to [inform us](#) if their county enacts similar requirements.

[Ingham](#)

[Lenawee](#)

[Oakland](#)

[Washtenaw](#)

[Wayne](#)

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.*

Michigan Automobile Dealers Association

1500 Kendale Boulevard, P.O. Box 2525

East Lansing, MI 48826-2525

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

Phone (248) 643-0250

Fax (248) 643-8788