

NEWS BULLETIN

Maine Automobile Dealers Association

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DISTRIBUTION

- General Manager
- Office Manager
- Parts Manager
- Sales Manager
- Service Manager

2011-5

MADA ANNUAL MEETING AND CONVENTION

Your Association's 67th annual meeting and convention will be held next week-end, June 24-26, at the Harborside Hotel and Marina in Bar Harbor. This bulletin and the accompanying convention program amplify previous MADA communications on the educational and recreational opportunities during the week-end. Current registrations exceed 220 individuals, with a variety of dealers, managers, associated industry representatives, speakers and family members.

Friday afternoon's workshop will include a summary of the expected changes in Federal and State laws governing health insurance, and in particular, how that would impact dealership employee benefit programs. Governor LePage is expected to address convention attendees late Friday afternoon, and will assist MADA in recognizing a dealership family which has continuously offered franchised new vehicles for over 100 years. Saturday's annual meeting will provide an opportunity for attendees to hear the latest management and operational help available through NADA University, and to participate in a workshop providing guidance on recent significant changes in regulations governing F & I operations. In addition, Secretary of State Charlie Summers, whose department includes the Bureau of Motor Vehicles, will make a presentation and answer questions during a portion of Saturday morning. Lastly, MADA will offer a brief summary of the new laws enacted at this year's session of the Maine Legislature.

The attractions and recreational opportunities of Mount Desert Island, Acadia National Park, and Bar Harbor itself are numerous and varied. Ample time is available for convention attendees to enjoy these activities.

GOVERNOR LEPAGE TO VISIT MADA CONVENTION

Governor Paul R. LePage has accepted an invitation to address attendees at MADA's annual meeting and convention in Bar Harbor. Assuming that Legislative duties allow, and that no crisis develops, Governor LePage will visit with MADA conventioners on Friday afternoon at 4:00 p.m. The Governor is expected to summarize the Legislative Session and other important issues affecting our great State. There will be an opportunity for attendees to ask questions of the Governor. We anticipate that the Governor will remain at the Harborside Hotel with us for a time during our social hour.

HIGHT FAMILY TO BE HONORED

The Hight family of Skowhegan, four generations strong, has been operating franchised new car and truck dealerships since 1911. MADA and Governor LePage will team up to recognize this longevity on Friday afternoon, June 24, during your Association's annual meeting and convention in Bar Harbor. The current family patriarch, Kirby Hight, his twin sons Walter and

Lou, as well as their sons Corey, Toby and Sam, will be honored during a celebration of their first 100 years of franchised dealership operations. MADA congratulates this family on their success, and looks forward to the opportunity to recognize their accomplishments.

SECRETARY OF STATE SUMMERS TO ADDRESS MOTOR VEHICLE TOPICS

MADA members will be pleased to welcome Secretary of State Charles E. Summers Jr. to the annual meeting. Secretary Summers will be speaking about the current and future plans of the Bureau of Motor Vehicles, and perhaps even some changes to election procedures, during his Saturday morning presentation. The Secretary has a long history with MADA and some Maine dealers, and we look forward to his visit.

FLOOD VEHICLES

Because of the recent floods across the United States, many dealers have questioned what constitutes a "flood vehicle". Before purchasing a vehicle at an auction or taking a vehicle in trade, dealers should perform a title history check to look for salvage or flood title discrepancies. Dealers should also have a vehicle physically checked for flood damage. This is especially important when dealing with vehicles from states that do not have a title brand for flood vehicles. While many states, including Maine, require branding for flood-damaged vehicles, not every state has the same laws.

THEFT OF OHIO TITLES

MADA has received notification that on May 22, 2011, Scioto County, Ohio reported the theft of 502 unused titles. The control numbers associated with the theft have been marked as stolen. Those control numbers are pre-printed on the lower left hand corner of the Ohio Title and range from: %102867337 to %102867839. Dealers should check any Ohio titles presented to the dealership against the control numbers above. If a customer should present a stolen title, the dealership should contact local law enforcement.

FRANCHISE BOARD NEEDS MANUFACTURER REP

The Maine Motor Vehicle Franchise Board is made up of two public members, one manufacturer representative, three dealer representatives, and the Bureau of Motor Vehicle (BMV) representative. This Board meets on occasion to act on disputes between dealerships and manufacturer/distributors involving the obligations of each party under Maine's franchise law. The BMV has asked for names of manufacturer employees, retired or active, who might be willing to serve on this Board. Please contact your MADA office if you have any individuals you think might be interested in being nominated for this position.

HAZARDOUS WASTE, RIGHT-TO-KNOW CERTIFICATION

In April, MADA conducted numerous training sessions to help dealership employees meet the certification standards of Maine law regarding the handling of hazardous waste and State Right-To-Know standards. In years past, MADA has printed ID-size cards certifying an employee's participation in these training sessions. Due to changing requirements, MADA no longer needs to issue the cards, only a letter to the dealership listing the persons trained. These letters will be mailed shortly, and must be kept in dealership records. In the future, only those employees who are new to your dealership will have to participate in Hazardous Waste and Right-To-Know certification workshops.

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NEW FEDERAL RULE EFFECTIVE JULY 21

Yet another new federal disclosure requirement takes effect July 21, 2011, according to NADA. The Dodd-Frank Act requires that creditors add the following disclosures to their adverse action and risk-based pricing notices:

- 1) the consumer's credit score;
- 2) the range of possible credit scores under the model used to generate the score;
- 3) the key factors that adversely affected the consumer's credit score in the model used;
- 4) the date on which the credit score was created; and
- 5) the name of the person or entity that provided the credit score.

The key factors (the third item) explain the credit score and are provided by the entity that generated the score. Creditors must list up to four key factors or, if one of the key factors is the number of inquiries made with respect to that credit report, then the creditor must list up to five key factors.

The changes to the risk-based pricing notice do NOT affect dealers who issue credit score disclosure exception notices in lieu of risk-based pricing notices.

Regarding the changes to the adverse action notice, the new disclosures apply to creditors who used a credit score in taking adverse action. The new disclosures add to the disclosures that must be made under the Fair Credit Reporting Act. (Keep in mind that the Equal Credit Opportunity Act imposes on participating creditors who take adverse action a separate adverse action notice requirement with different disclosures)

NADA will revise the *Driven* publication entitled *A Dealer Guide to Adverse Action Notices* to explain the changes and to modify the sample adverse action form (at Appendix B). However, it cannot do so yet because the Federal Reserve Board has not finalized the changes to its model form (from which NADA's model form is derived). Several vendors who produce adverse action notices for dealers are also waiting on the Board to release its final model forms before modifying their own.

NADA will host a Learning Hub webinar on the new requirements that is scheduled for Wednesday July 6, 2011 from 1-3 p.m. Eastern Time. To register contact NADA University Customer Service at (800) 557-6232 or go to www.nada.org.

NADA ALERT

A bogus website (<http://nadaguides.zxq.net/vehicle/purchase/protection>) has been set up to look like the legitimate site of NADAguides.com. The fraudulent Web page offers services for "Auto Purchase Protection" and facilitates the transfer of funds between buyers and sellers. This Web page has no connection with NADA or NADAguides.com. NADA is attempting to shut down the site, which appears to be hosted overseas.

2013 FUEL ECONOMY LABELS TO PROVIDE CONSUMERS NEW SHOPPING TOOLS
Obama administration adopts NADA-backed position to drop
"letter grade" option for new fuel economy labels

NHTSA and the EPA have announced a new fuel economy label rule for passenger cars and light-duty trucks which reflects NADA's position opposing the so-called "letter grade" option. In oral testimony and written comments, NADA urged the Obama administration to adopt fuel economy labels designed to not confuse the buying public, not make new vehicle purchasing decisions more difficult, and not treat automakers or fuel types unfairly.

"Fuel economy labels simply should provide useful facts in an easy to understand manner", said Forrest McConnell, past chairman of NADA's Regulatory Affairs Committee, in testimony last year. NADA's successful efforts to bring key points to the attention of the administration were assisted by excellent testimony from the National Association of Minority Automobile Dealers and the California Motor Car Dealers Association. NADA also worked closely with Reps. Steve LaTourette, R-Ohio, and Dale Kildee, D-Michigan, on a letter to the administration co-signed by 52 members of the U.S. House of Representatives opposing the confusing letter grade option.

Starting in model year 2013, the new fuel economy labels will provide consumers with an enhanced ability to shop for vehicles with different powertrain technologies and fuel types. In addition to the miles-per-gallon (MPG) numbers consumers have relied on for decades, the new label will include:

- Data comparing new technology or alternative-fuel vehicles to conventionally powered cars and trucks;
- A fuel cost estimate over five years;
- How a particular vehicle compares to all vehicles for smog and greenhouse gas emissions;
- An estimate of how much fuel or electricity it will take to drive 100 miles;
- Information on the driving range for electric vehicles and charging time; and
- A scanable code to allow smartphone users to access additional online information.

Automakers must include fuel economy information on the Monroney labels of light-duty vehicles before they are shipped. Dealers must maintain the Monroney labels on vehicles until they are delivered to retail customers. Dealership sales staff will need to become familiar with the new labels prior to their rollout in MY 2013 in order to provide consumers with the answers to any questions they might ask. NADA is working with NHTSA and EPA on a strategy to assist dealerships with responding to fuel economy questions and concerns.

Although better than first proposed, the new label isn't perfect since it still contains information that can cause confusion. For example, the label compares a vehicle's emissions performance against all vehicles, as opposed to vehicles within the same class. Moreover, a vehicle's five year estimated fuel cost is compared to a hypothetical "average new vehicle", also a comparison of limited value.

Questions may be directed to NADA Regulatory Affairs at regulatoryaffairs@nada.org or (703) 821-7040.

2011 MADA CONVENTION

PROGRAM OUTLINE

THURSDAY - JUNE 23, 2011

1:30 p.m. - 5:00 p.m.	MADA All Boards Meeting	POOL HOUSE
5:30 p.m. - 6:30 p.m.	Reception	POOL HOUSE
6:30 p.m.	Dinner (on your own)	

FRIDAY - JUNE 24, 2011

7:15 a.m. - 7:45 a.m.	Board Meeting Continental Breakfast	POOL HOUSE
7:30 a.m. - 9:30 a.m.	MADA All Boards Meeting	POOL HOUSE
9:00 a.m. - 6:00 p.m.	Spouse and Guest Program (on your own) Skin Care, Facials, Make-up & Spa Experiences	BAR HARBOR CLUB
10:00 a.m.	THE MEMORIAL GOLF TOURNEY <u>Prizes Sponsored By Macdonald Page & Co.</u> (Box Lunch provided for Tourney participants)	KEBO VALLEY GOLF CLUB
10:30 a.m.	MADA Registration Opens	CLUB FOYER
10:30 a.m. - 3:00 p.m.	Enjoy Bar Harbor, Mt. Desert Island and Acadia National Park (Information available at MADA registration desk)	
12:00 noon	Luncheon (On Your Own)	
3:00 p.m. - 4:00 p.m.	Workshop: Health Care Reform	MCMURTRY BALLROOM
4:15 p.m. - 5:00 p.m.	Governor Paul LePage	MCMURTRY BALLROOM
5:00 p.m. - 5:45 p.m.	Tribute to Maine's 100-Year Dealer Family The Hights of Skowhegan	MCMURTRY BALLROOM
5:45 p.m. - 6:45 p.m.	Social Hour <u>SOCIAL HOUR SPONSORS LIST</u>	POOL HOUSE
6:30 p.m. - 8:00 p.m.	Down East Lobsterbake	STOTESBURY BALLROOM
7:45 p.m.	Golf Tourney Awards Presentation	STOTESBURY BALLROOM

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SATURDAY - JUNE 25, 2011

7:30 a.m. - 8:45 a.m. **Breakfast Buffet** **STOTESBURY BALLROOM**
SPONSOR - ACADIA AUTO AUCTION

8:15 a.m. - 8:45 a.m. **Annual MADA Membership Meeting** **MCMURTRY BALLROOM**
Presiding Officer: Chairman Win Dodge

8:45 a.m. - 9:45 a.m. **Workshop: Daily Operations Assistance** **MCMURTRY BALLROOM**
Brad Lawson - NADA University

9:00 a.m. - 5:00 p.m. **Spouse and Guest Program** (on your own) **BAR HARBOR CLUB**
Skin Care, Facials, Make-up & Spa Experiences

9:30 a.m. - 10:30 a.m. **Spouse and Guest Program** **STOTESBURY BALLROOM**
Paint A Postcard

10:00 a.m. - 10:45 a.m. **Secretary of State Charlie Summers** **MCMURTRY BALLROOM**

11:00 a.m. - 12:00 noon **Workshop: Legal & Regulatory Update** **MCMURTRY BALLROOM**
Bruce C. Gerrity, Esq.
Preti Flaherty Beliveau & Pachios

12:00 noon **Luncheon (On Your Own)**

1:00 p.m. - 4:00 p.m. **Sightseeing of your Choice** **HARBORSIDE MARINA PIER**
Whale Watching Trip - The **Friendship V**
Lulu Lobster Boat Ride
Oli's Trolley Tours of Acadia National Park
& Mt. Desert Island
(tickets @ MADA Registration Desk)

5:30 p.m. - 9:30 p.m. **Children's Program** (ages 5-11) **ROCKEFELLER BOARDROOM**

5:30 p.m. - 6:30 p.m. **Social Hour** **CLUB PATIO**
SOCIAL HOUR SPONSORS LIST

6:15 p.m. **67th Annual Banquet** **STOTESBURY BALLROOM**

7:00 p.m. - 11:00 p.m. **Entertainment:** New Society **STOTESBURY BALLROOM**

SUNDAY - JUNE 26, 2011

7:30 a.m. - 9:30 a.m. **Breakfast Buffet** **STOTESBURY BALLROOM**

11:00 a.m. **Checkout** **HOTEL LOBBY**