



As the nation's leading provider of end-to-end wholesale vehicle solutions, Manheim is here to help you be more successful with the in-lane and online tools you need.

#### **VISIT OUR VIRGINIA LOCATIONS**

- Manheim Fredericksburg
- Manheim Harrisonburg

OUR MISSION IS YOURS.





Virginia Independent Automobile **Dealers Association** 1525 Huguenot Road, Suite 102 Midlothian, VA 23113 (757) 464-3460 | (800) 394-1960 Fax: (757) 299-6331 VIADA.org • info@viada.org VADealerRecertification.com facebook.com/infoviada

Alvin Melendez, CMD Executive Director • alvin@viada.org

**Tommie Melendez** Director of Education & Dealer Development tommie@viada.org

Gonzalo Aida Director of Government Affairs & Lobbying gonzalo@viada.org

Jacqueline Abitbol Director of Member Benefits • jackie@viada.org

Maria Maurer Marketing Coordinator • maria@viada.org

Blake Jackson Office Director & Education Coordinator blake@viada.org

Alejandra Lewis Comptroller • alejandra@viada.org

Jasmine Walker & Daniel Thompson DMV Processing Center • dmv@viada.org

**Chris Maher** VIADA Instructor • chris@viada.org

**Magazine Production** ProfessionalMojo.com • info@professionalmojo.com

A VIADA Publication ©2023

The statements and opinions expressed herein are those of the individual authors and do not necessarily represent the view of the Virginia Independent Automobile Dealers Association. Likewise, the appearance of advertisers, or their identification as members of VIADA, does not constitute an endorsement of the products or services featured.



#### **FEATURES**

7 | Shortcuts and Compliance Are Not Friends

Don't let process shortcuts short-circuit all the hard work your dealer has put into make their dealership the success it is today.

8 | 63rd Convention & Trade Expo: REGISTER NOW!

Check out the schedule of events, speakers and other special guests!

- **Donations Making a Big Difference Across the Commonwealth** 10 Check out what the Ladies Auxiliary has been up to and how each district has allocated their funds.
- **Top 20 Fastest-Selling Used Models in July** 11 | Here they are along with the average days they spent in the market, according to iSeeCars.com.
- 16 | How to Drive Success with Facebook Advertising for Car **Dealerships**

To effectively achieve advertising goals using Facebook advertising, dealerships must have specific requirements. Explore these requirements and gain insights into the automotive industry.

#### DEPARTMENTS

- President's Message
- Board of Directors and **District Representatives**
- Executive Director's Message
- **Dealer Operator Course** Schedule
- Membership Savings Program 13 |
- **Title Processing Center** 15

#### PRESIDENT'S **MESSAGE**

# Getting a Groove on in Norfolk

s this message reaches you, we are less than a month away from our 63rd Annual Convention and Expo to be held October 20 - 22 at the beautiful Norfolk Waterside Marriott. I have not figured out how I will "get my groove on" for this, but I do know that we are all in for a lot of fun, fellowship and, more importantly, key learnings from experts in our industry. These two and a half days could be the best investment you can make in your business.



As I get ready to turn the gavel over to Donald Sullivan, Jr., our incoming President, I have never felt better about the solid footing that our association is on. We have the best Executive Director in the country leading the absolute best team at our office in Richmond. We continue to make tremendous strides at the state capitol, growing legislative relationships that are geared at one thing: to represent the

If you have never been to a convention, please consider this year to make it your first.

interest of you and your business as new laws and policies are being considered. We continue to develop new training and support for every independent dealer with the goal to improve and protect the reputation of our industry. While we have fallen short of my stretch goal to double our membership ranks,

we have grown to over 1,150 members, which is the 4th largest independent dealer association in the country. Last, we have some of the most dedicated legacy dealers who continue to give of their time to not just help this association grow, but are also committed to helping each one of you grow your own business.

I am looking forward to seeing each of you in Norfolk next month. I promise you will not be disappointed. If you are a veteran to these, please consider finding a dealer to bring along with you and show them what they can gain from these couple of days networking with their peers. See you in Norfolk!

President, VIADA

Chairman of the Board Donald Sullivan Sr., Sullivan Auto Trading, Inc. President Craig Amelung, General Manager, Manheim's Mid-Atlantic Market President-Elect Donald Sullivan Jr., Sullivan Auto Trading, Inc. **Vice President** Matt McMurray, CMD, Campus Automotive Vice President JoeAnthony Ramon, Virginia Auto & Truck Vice President Lee 'Eddie' Haley, Route 11 Valley Auto Sales **Treasurer** 

Mack Bahri, Mack 1 Motors Secretary Melinda Anderson, Top Tier Motors LLC

#### District 1

JoeAnthony Ramon, President Alexander Adams, Vice Pres. Justin Boucher, Vice President Austin Sullivan, Vice President Craig Rice, Vice President Terence Latham, Vice President Karen Culpeper, Sec/Treas

#### District 2

Melinda Anderson, President Gail Davis, Vice President M'Lissa Dunn, Vice President Lonnie Johnson, Treasurer Sandra Moss, Secretary

#### District 3

Toby Buchanan, President Kenny Martin, Vice President John Porter, Treasurer/Secretary

#### District 4

Jason Brown, President Rob Fisher, Vice President Will Sullivan, Vice President Chris Maher Jr., Vice President Mack Bhari, Vice President Brandon Morton, Vice President Mike Haloul, Vice President Lupe Sigman, Sec/Treas

#### District 5

Stephen Stallings, President Sammy Wright, Vice President Gail Semones, Sec/Treas

#### District 6

Allison "Allie" Tuell, President John Taylor, Vice President Bobby Steele, Vice President Lynn Martin, Treasurer

#### District 7

Edward Habavets, President Lee "Eddie" Haley, Vice Pres. Andrew Wiley, Vice President Angel Hernandez, Vice Pres. Cindy Champ, Sec/Treas

#### **District 8**

J Bo Lester, President John Wilson, Vice President Stacy Martin, Treasurer Sara Martin, Secretary



# AUTO LOAN REFERRAL PROGRAM

We will pay **YOU** up to **\$200** 

per referral closed\*

- No mileage restrictions
- Automobiles up to 20 years old
- Up to 125% of NADA Retail Value
- Fast, local, and friendly service

#### **Please Contact**

- Tidewater Area- Christie Hall- 804-490-8904
- Western Virginia- Betty Swortzel- 540-480-5395
- SouthWest Virginia- Tiffany Ingram- 540-292-0957
- Central Virginia- Maurice Peerman- 434-665-0381
- Richmond/Petersburg Area Chris Price 804-441-4174
- Northern Virginia- Debbie Rice- 540-379-7066

www.lendmarkfinancial.com

\*All loans are subject to credit approval, income verification, tier determination and normal underwriting standards. Lendmark is not able to pay merchant referral fees in California, Maryland or Kentucky for loans of \$15,000 or less. Licensed by the Virginia State Corporation Commission, License Number CFI-104.

# **ComSoft**

Dealership Management & Marketing Software Solutions

## 800-849-3838 ComSoft.com

#### **Dealership Software**

- **Manage Inventory**
- **⊗** Manage Prospects
- **S** BHPH Tracking
- **S** LHPH Tracking
- **⊗** Management Reports
- **⊗** QuickBooks Integration
- **⊗** Integrated Partners
- **⊗** Compliance Tools

# **Dealership Websites**



Plus our Mobile App...



## **Marketing Feeds**









ove.com

**And Dozens More!** 

#### **EXECUTIVE DIRECTOR'S MESSAGE**

## **Around the Commonwealth**

would like to thank the new DMV Commissioner Gerald Lackey for his initiative to meet with VIADA and his willingness to work together to resolve some of the issues facing our Dealers. Convention is fast approaching, and I couldn't be more excited. We have an array of speakers that will help develop your knowledge in different areas, as well as a Q & A with the MVDB Executive Director and the DMV Commissioner, so get your questions ready! The VIADA is working with the DMV and Legislators on simplifying the difficulty of calculating the HUF tax. In a perfect world, VIADA would like to see a flat fee.



Let's talk about paperwork and the sales process - with lawsuit cases on the rise, I would like to express my concerns to have your paperwork double and triple checked to minimize your exposure. Every day I receive phone calls about trials that could have been avoided; don't hide from your consumer complaints, address them as they come.

# We are now the 4th largest Independent Dealer Association in the nation!

Let's talk about AS/IS Sales. If you sell vehicles with "No Warranties," make sure the consumer signs the Inspection Sheet, the Vehicle History Report, and make

everything is properly signed when you make copies for your records. When selling an AS/IS vehicle, don't make any promises, and never tell the consumer that they are buying a perfect vehicle. A good answer is: As far as we know, the vehicle is good, but you are buying a used vehicle and we recommend you do a pre-purchase inspection prior to purchase, and please disclose any known issues with the vehicle in writing prior to sale.

The VIADA has been growing at a fast pace with more and more dealers joining the Association every month. We are now the 4th largest Independent Dealer Association in the nation, which means that Virginia Dealers care about compliance, care about consumers and care about having the proper continuing education available to them when needed. Together we make a difference!

See you at the Convention & Expo!

Alvin Melendez, CMD Executive Director, VIADA

## **DEALER OPERATOR COURSE SCHEDULE**

**REGISTER AT** viada.org/pre-license

September 26-27 Richmond/Midlothian VIADA Office 1525 Huguenot Road, Suite 200 Midlothian, VA 23113

October 19-20 Norfolk Norfolk Waterside Marriott 235 E Main Street Norfolk, VA 23510

November 7-8 Richmond/Midlothian VIADA Office 1525 Huguenot Road, Suite 200 Midlothian, VA 23113

> November 14-15 Danville **Courtyard by Marriott** 2136 Riverside Drive Danville, VA 24540

**December 5-6: Chantilly** Home 2 Suites by Hilton 43340 Defender Drive Chantilly, VA 20152

December 12-13 Richmond/Midlothian VIADA Office 1525 Huguenot Road, Suite 200 Midlothian, VA 23113

REGISTRATION MUST BE COMPLETED ONLINE BY CLICKING ON EITHER THE CLASS DATE OR LOCATION. Registration for all classes ends at 8:00pm the Sunday prior to the class. Registration for the class is \$485.

If you register more that 14 calendar days before the class date, you will receive a \$50 early registration discount.

The class registration fee includes a \$50 MVDB fee which will be submitted by VIADA to MVDB.





- DEALER BONUS PROGRAMS
- EASY ONLINE INTEGRATION
- ANY YEAR / MAKE / MILEAGE



**PROTECTING DEALERS & CUSTOMERS SINCE 1986** 

WWW.ASCWARRANTY.COM

800-442-7116

# Shield Your Business with Cutting-Edge Analytics

Gain valuable risk intelligence from a proven, high-tech GPS toolset that monitors, locates, and assesses risks in real time.

800-553-7031 AdvantageGPS.com/Modern



RISK PORTFOLIO MONITORING



COMPLIANCE RECOVERY TOOLKIT



REAL-TIME ALERTS





PREDICTIVE ANALYTICS



WIRED / WIRELESS GPS DEVICES



PERSONALIZED SERVICE











# YOU DON'T CUT CORNERS. NEITHER DO OUR PRO PARTS.

Get unmatched performance and reliability with Carquest Professional Platinum brake pads. Learn more about our professional parts at my.advancepro.com/pads.









Once upon a time, I was part of corporate

America while working for one of the captives. While in corporate America, I had an accident with my right hand, which

The form in the file either price (blank or N/A) or the the correct price that has be in. Oftentimes, when the price in the file either price (blank or N/A) or the captives.

ended up requiring a cast. I couldn't grab the steering wheel with my right hand, my putter grip was abysmal, and I couldn't

write or sign my name.

As a supervisor in my branch office, I was responsible for completing a checklist on every repossessed account to ensure all the required steps from repossession to disposal had been completed.

I had to initial a box by each completed task to properly finish the checklist. Since I couldn't drive, putt, or write, I just assumed my boss would understand if I marked a simple checkmark in each box. I evidently didn't know my boss very well. "Shortcuts are not acceptable!" he bellowed when he reviewed the first of a stack of repossessions I had completed.

I assume shortcuts develop in many industries, companies, or processes. Some of the shortcuts I witness in dealerships create potential compliance concerns. As a trusted advisor to your dealer clients, you should be on the lookout for these shortcuts and discuss the potential risk with them.

#### **Handwriting Product**

Pricing In a perfect world, the customer signs at least three documents disclosing the acceptance and pricing of voluntary protection products: menu, buyer's order (or PCD in California), RISC/lease, and enrollment form. There are times when the product price does not print on the enrollment form, instead it is either left blank or prints as "N/A." Other times, the dealer management system (DMS) picks up the wrong price, perhaps printing the price of the vehicle service contract on the maintenance form.

The form in the file either reflects the free price (blank or N/A) or the wrong price, or the correct price that has been handwritten in. Oftentimes, when the price is corrected, the customer has not initialed the change. This begs the question, exactly what does the customer's copy show?

Hopefully, the customer's copy is consistent with the dealer's copy, otherwise there could be some explaining to do if the customer ever decides to file a complaint or litigation and the file is requested in discovery.

Taking the shortcut to not having the DMS corrected or programmed or not properly loading the deal is potentially putting the validity of the transaction at risk.

#### Used Car Buyer's Guide Disclosure

The FTC Used Car Rule is very specific about the language that must be used to properly disclose any remaining warranty. Most dealers have a solid process to properly make this disclosure. For example, the Used Car Rule says that using shorthand terms such as "factory warranty remaining" is not a sufficient disclosure. The vendors who manage the buyer's guide process for dealers generally have the correct, safeharbor language.

The process falls apart when a used vehicle is sold before the vendor has an opportunity to put a correct buyer's guide on the vehicle. Sometimes it falls apart when the salesperson gets lazy and handwrites a buyer's guide instead of taking the guide off of the vehicle or printing one from the dealer's software. Going the shortcut route thinking you are saving time leads to noncompliance with a federal law.

#### **Signing Customer Names**

People get busy. Salespeople fail to get the customer's signature on the privacy Don't let process shortcuts short-circuit all the hard work your dealer has put in to make their dealership the success it is today.

notice, or F&I managers forget to have the customer sign the gap enrollment form.

Almost every dealership employee understands that forging a customer's signature to a form is a crime. Others rationalize that the customer did agree or knew that they agreed to the privacy policy or signed a menu and contract agreeing to purchase GAP, so it is all right to sign their name.

Forging a customer's name is never an acceptable shortcut.

#### Not Reviewing the Buyer's Order/RISC

During your next managers sales meeting, ask how many of your managers have read and understand each section, front and back, of the buyer's order, the retail installment sales contract, and the lease agreement. After all, they are likely signing these documents on behalf of the dealership. Isn't it reasonable to expect that they have read and understand all the provisions they are asking customers to agree to?

Sometimes a shortcut is just being lazy instead of understanding the very basics of your job. Don't let process shortcuts shortcircuit all the hard work your dealer has put in to make it the success it is today.

Continued good health and good selling. ■

Gil Van Over is the executive director of Automotive Compliance Education (ACE), the founder and president of gvo3 & Associates, and author of "Automotive Compliance in a Digital World." Email him at gvo@bobit. com.

VIADA'S 63RD ANNUAL

# Convention & Expo

October 20-22, 2023 =



## KEYNOTE SPEAKER

DMV Commissioner, Gerald Lackey (pictured left)

"Yes, I am the DMV Commissioner.
I am also a DMV customer. I know
first-hand what a critical resource
the DMV is through life. We were
there when you got your first
license, titled your first vehicle, got
a copy of your Virginia marriage
certificate. And we're there for
Virginia businesses, too."

Grab your
dealer friends
and meet us in
Norfolk!



Join us for our 63rd annual 2023 VIADA
Convention! This year it will take place at the
Norfolk Waterside Marriott in the heart of the
city's charming downtown district!

NATIONAL SPEAKERS WILL BE ON HAND FOR VALUABLE EDUCATION ON COMPLIANCE, SALES, SERVICE AND MORE! PLUS, OVER 50 INDUSTRY PARTNERS WILL SHARE THE LATEST AND GREATEST PRODUCTS AND SERVICES TO GROW YOUR BUSINESS! DON'T MISS IT!



TO REGISTER ONLINE → WADA.ORG

# SCHEDULE OF EVENTS

# Day 1 | Thursday Day 2 | Friday

8:00 - 5:00 Dealer Operator

8:00 - 5:00 Dealer Operator Class

10:00 - 2:00 DO REcertification

12:00 - 2:00 Expo Hall Setup 2:00 - 4:00 Board Meeting

5:00 - 7:00 Claars & Cordic

5:00 - 7:00 Cigars & Cordials Rooftop terrace bar
7:00 - 9:00 Association Awards Dinner

9:00 - 11:00 Hospitality Suite & Poker

# Day 3 | Saturday

8:00 - 10:00 Breakfast, Expo Hall, Keynote

10:00 - 12:00 Speakers

12:00 - 2:00 Lunch in Expo Hall

~Featuring Ladies Auxiliary Auction

2:00 - 5:00 Speakers

6:00 - 7:00 Reception

7:00 - 9:00 Quality Dealer Dinner

9:00 - 12:00 Karaoke, Hospitality Suite, Poker

\*tentative schedule and is subject to change\*

# SPEAKERS & SPECIAL GUESTS

Paul McIntosh, Fulton Bank . Adam Crowell, ComplyNet .

Justin Osbourne, SmartGroups . Cory Collins, SmartGroups .

Michael York • Cox Automotive • Bill Elizando. NIADA •

Tom Kline, BetterVantagePoint

Attorney General, Jason Miyores • DMV Commissioner, Gerald Lackey •

MVDB Executive Director, William Childress • Senator, Lamont Bagby •

Senator, Travis Hackworth

# Donations Making a Big Difference Across the Commonwealth

By Dale Fisher, Ladies Auxiliary President



The VIADA Ladies Auxiliary Helping Hands were busy at our last meeting working on No-Sew blankets for Canine Companions for Independence. In addition, revisions to our bylaws were drafted and monetary donations were determined.

The members of the VIADA Ladies Auxiliary realize that the success of our Annual Charity Auction would not be possible without the support of our districts and their members. Therefore, we felt it only prudent to include the districts in determining some of our charitable giving. Each District was allotted \$1,000. With input from each, the following donations are being made to the charities below in their honor.

#### DISTRICT 1

#### Hooked On Hope \$1,000

Fishing trips for pediatric cancer patients and their families

#### **DISTRICT 2**

#### Reachcycles \$500

Modify bicycles for disabled children Virginia Home for Boys and Girls \$500

#### **DISTRICT 3**

#### Camp Easter Seals \$1,000

Camp for physically and mentally challenged children

#### **DISTRICT 4**

#### Angels on Wheels \$750

Assists veterans, families, and individuals with homelessness and food insecurities

**Boxes of Basics Dental Kits \$250** Support of at-risk children

#### **DISTRICT 5**

Fire & Rescue Squads (4) \$250 each

#### **DISTRICT 6**

Special Olympics Amherst \$1,000

#### **DISTRICT 7**

Verona Community Food Pantry \$1,000

#### **DISTRICT 8**

#### Harper's Home \$ 500 Foster Care Assistance

VetFest SWVA \$ 500 To Stop Soldier Suicide

The VIADA Ladies Auxiliary Members are so pleased and proud to support this diverse group of caring organizations.

We are also beginning plans for the 2023 Charity Auction, which will be held at the VIADA Annual Convention on Saturday, October 21, during lunch. The Ladies Auxiliary is always appreciative of donations for the auction. Sports memorabilia, fine wine and spirits, themed gift baskets, and techy items are just a few of the items that are welcomed. Please let Maria (maria@viada.org) know if you or your district is willing to provide an auction item.

We look forward to seeing everyone in Newport News in October! ■



# One Partner For All Your Virginia Reg & Title Needs





#### Streamline your Reg & Title process from trade-ins to vehicles sold.

- Virginia In-State Reg & Title: Submit in-state transactions in under 4 minutes<sup>1</sup>, saving your dealership time and money. Now with new enhancements including improved logbook, new batch functionality and password self-reset.
- **Dealertrack Accelerated Title**®: Streamline payoffs and gain lien and title release 70% faster² on trade-ins.
- Dealertrack RegUSA®: Simplify out-of-state registration and title process for customers in any state.

Make the move to electronic registration & titling.

Call Kim Haddaway at 757-985-6940 or visit to schedule a demo today.

us.dealertrack.com/viada



The Power of One | Cox Automotive

Proud partner of



<sup>&</sup>lt;sup>1</sup> Dealertrack User Timing report through Google Analytics 9/30/21 to 9/30/22.

<sup>&</sup>lt;sup>2</sup> Based on average industry timeframe for vehicle title release and vehicle payoff process of 18+ days, as determined by 2022 Dealertrack data



# **November** 13-15, 2023

JW Marriott • Indianapolis

FUELED BY NIADA

The premier event for the BHPH industry centered around dealers in a unique learning environment.

- · Dealer-led roundtables
- · State of Industry panel with top dealers
- · Training in service, sales and underwriting

**REGISTER AT**niada.com/bhphdealerforum

## Top 20 Fastest-Selling Used Models in July

By Auto Remarketing Staff

Analysts at iSeeCars.com spotted an intriguing convergence of trends when looking at how the used-vehicle retail sales market unfolded in July.

First, overall used sales in July were 6.1% faster year-over-year, according to the company's new study. But the 20 used models that turned fastest on average based on July data had been available for sale an extra eight days – 26% longer – than a year earlier.

"It's interesting that used cars overall are selling 6.1 percent faster than a year ago, but the most popular models are selling 26 percent slower," iSeeCars executive analyst Karl Brauer said. "This suggests consumers are considering a wider range of used cars and seeking the best value wherever they can find it. Essentially, the strong grip previously held by popular used models is loosening."

The iSeeCars.com study also shared a rundown of those 20 most popular models. Here they are along with the average days they spent in the market, according to iSeeCars.com:

- 1. Honda HR-V: 34.4
- 2. Acura ILX: 35.3
- 3. Toyota Highlander Hybrid: 36.6

- 4. Acura RDX: 36.8
- 5. Hyundai Venue: 38.0
- 6. Honda Insight: 38.3
- 7. Honda CR-V: 38.5
- 8. Honda Civic: 38.8
- 9. Toyota C-HR: 38.9
- 10. Toyota Sienna (hybrid): 39.1
- 11. Toyota Tundra: 39.1
- 12. GMC Yukon: 39.4
- 13. Kia Telluride: 39.7
- 14. Acura TLX: 39.8
- 15. Honda Pilot: 39.9
- 16. Chevrolet Corvette: 39.9
- 17. Acura MDX: 40.4
- 18. Honda Accord: 40.5
- 19. Cadillac Escalade ESV: 40.5
- 20. Toyota 4Runner: 40.7

On the new-car side, the iSeeCars study showed new models are selling 29.2% slower. Brauer explained why, pointing back to the used department.

"Used-car prices were initially driven up by a lack of new-car inventory," Brauer said. "Now there are plenty of new cars on dealer lots, but consumers aren't rushing out to buy them. The new-car average time to sale is down by more than 25 percent even as used cars are selling 6.1 percent faster. This shows buyers are continuing to seek value in the used car market — despite a wide range of new-car options."

One other interesting segment of the latest study by iSeeCars.com is the slowing pace of electric-vehicle sales, which analysts said "have slowed to a crawl."

According to iSeeCars, new EVs have gone from retailing in an average of 25.2 days to delivery to 50 days over the past year.

The spiff to get a used EV to roll over the curb might be even more robust, since iSeeCars has noticed a 120% increase in the average time a used EV has been available for sale, jumping from 26.4 days to 57.8 days.

"The good news for electric vehicle buyers is that EVs are both cheaper and harder to sell in 2023, putting pressure on automakers and dealers to move them in a market that appears to have lost interest," Brauer said. "Both new and used EVs are taking more than 50 days to sell on average, meaning it takes more than twice as long for dealers to find EV buyers compared to a year ago."

## FOR VIADA MEMBERS ONLY!



## DESIGNED BY DEALERS, FOR DEALERS.

#### The coverage your customers want at a price everyone can afford!

- All Years, All Makes, All Miles
- Service Contracts
- Limited Warranties
- Guaranteed Asset Protection (GAP)
- Tire and Wheel
- Buy Here, Pay Here

- Windshield Replacement
- Key Replacement
- Appearance Protection

#### Contact VIADA for more information:

info@viada.org or 800-394-1960

#### WE ARE STRONGER TOGETHER... RECRUIT A MEMBER TODAY!

# VIADA. Large Enough to Serve, Small Enough to Care!

# It takes a Member to get a Member!

#### **EDUCATION**

- Workshops: BHPH / Rental / Title & Registration
- Dealer Day
- The Virginia Independent News
- Used Car Dealer (NIADA Magazine)
- Monthly eNews Email
- District Meetings
- Annual Convention & Expo
- · VIADA Website: viada.org
- Facebook.com/infoviada
- · VADealerRecertification.com
- Two Day Dealer-Operator Precertification Course

# EXTRA PROFIT CENTERS

- Finance Programs/Manuals
- Service Contracts/Warranties
- Floorplans
- Rental Program
- · Certified Pre-Owned Program

# ADVOCACY / REPRESENTATION

- VIADA represents you AND your business interests
- General Assembly Lobbyists
- · Congressional Lobbyists
- DMV and MVDB Representation
- · Political Action Committee

#### **SAVE \$\$\$**

- · Discounts on Dealership Forms
- Auction Card Discounts
- Access to Member Benefit / Associate Providers
- NADA Guides
- OFAC Reports
- Advance Auto Parts & Fisher Auto Parts Discounts
- · Membership and Services Directory
- Online Dealer Supply Store

#### **DID YOU KNOW?**

When you join VIADA, you also have access to NIADA products and services.

# INSURANCE & PROTECTION

- · Privacy Policy Manual / Red Flag Rule
- Information to help you stay compliant with Federal & State Laws
- \$3,000 Accidental Death and Dismemberment / Health Discount Card / Child Safety Kits

# HELP HOTLINE & LEGAL COUNSEL

- Member Hotline. Get answers to all of your questions.
- Access to Legal Consultation...VIADA has a list of industry-knowledgeable attorneys.
- · One-on-One Consultation Discount

# The CARLAWYER®

By Eric Johnson, Partner in the law firm of Hudson Cook, LLP, Editor in Chief of CounselorLibrary.com's Spot Delivery®



Here's our monthly article on selected legal developments we think might interest the auto sales, finance, and leasing world. This month, the developments involve the Consumer Financial Protection Bureau, Federal Communications Commission, Federal Reserve Board, Federal Deposit Insurance Commission, Federal Trade Commission, other federal agencies. As usual, our article features the "Case(s) of the Month" and our "Compliance Tip." Note that this column does not offer legal advice. Always check with your lawyer to learn how what we report might apply to you or if you have questions.

#### FEDERAL DEVELOPMENTS

CFPB Sues Servicer for Wrongfully Disabling and Repossessing Vehicles, Failing to Ensure GAP Refunds, Double-Billing for Insurance, and Wrongfully Applying Payments. On August 2, the CFPB sued a servicer of auto financing contracts originated by a buy-here, payhere dealership affiliate. The CFPB alleged that the servicer: (1) wrongfully disabled buyers' vehicles using starter-interrupt devices when the buyer was not in default or was in communication with the servicer about upcoming payments; (2) failed to ensure refunds of guaranteed asset protection insurance premiums when buyers were entitled to a refund because they paid off their financing early or their car was repossessed; (3) double-billed buyers for collateral protection insurance; (4) wrongfully applied buyers' payments first to late fees or collateral protection insurance instead of accrued interest; and (5) wrongfully repossessed buyers' vehicles. The CFPB is seeking, among other things, redress to consumers, civil money penalties, and an injunction to prevent future violations.

FCC Imposes Record-Breaking Fine Against International Network Robocallers. On August 3, the FCC imposed a record-breaking fine of approximately \$300 million against an international network of companies that made illegal robocalls to consumers in order to sell purported "auto warranties." The companies allegedly made over 5 billion robocalls to more than 500 million phone numbers during a 3-month span in 2021 that allegedly were placed without prior express consent, included numbers on the National Do Not Call Registry, failed to identify the caller, failed to provide a callback number that allowed consumers to opt out of future calls, and used misleading caller identification.

FTC Updates National Do Not Call Registry Access Fees. On August 17, the FTC issued a final rule to update the fees charged to entities accessing the National Do Not Call Registry, effective October 1, 2023. The first five area codes are free, and exempt organizations may obtain the entire list for free. The cost of accessing a single area code will increase by \$3 to \$78. The maximum charge to any single entity for accessing all area codes nationwide will increase by \$662 to \$21,402. The fee for accessing an additional area code for a half year will increase by \$1 to \$39.

**Agencies to Hold Roundtable Discussion** on Special Purpose Credit Programs. The CFPB, OCC, HUD, and FHFA will hold a roundtable discussion on September 12 with representatives from community groups and industry trade organizations on the availability and benefits of special purpose credit programs. The Equal Credit Opportunity Act and its implementing Regulation B permit creditors, under certain

circumstances, to design and implement special purpose credit programs to extend credit to persons who would otherwise be denied credit or would receive it on less favorable terms. The agencies' roundtable event is open to the public via livestream.

#### CASE(S) OF THE MONTH

Violated California's **Automobile Sales Finance Act by Failing** to Indicate that Portion of Downpayment Would be Paid in Installments After Date of Purchase: An individual bought a used vehicle from a dealership on June 22, 2019. The parties agreed that the buyer would pay a \$2,000 downpayment—\$1,000 on the date of purchase and then another \$1,000 in three installments drawn from his bank account: \$333 on July 8, 2019, \$333 on July 20, 2019, and \$334 on August 5, 2019. The buyer's monthly payments would begin on August 6, 2019. However, the retail installment sale contract stated that the buyer paid a \$2,000 downpayment in "Cash, Cash Equivalent, Check, Credit Card, or Debit Card" on the date of sale and that he would pay no "[d]eferred [d]ownpayment[s]." After the purchase, the dealership assigned the RISC to a finance company. The buyer later sued the dealership, its surety, and the finance company, alleging, among other claims, violations of California's Automobile Sales Finance Act. The trial court concluded that the dealership violated ASFA, ordered the buyer to return the car, and awarded him \$15,995.50, the amount he paid for the vehicle.

The Court of Appeal of California affirmed the trial court's decision. Under Section 2982(a)(6) of ASFA, dealers are required to disclose all the terms of a conditional sale contract in a single document. Among other things, the single document "must itemize the purchaser's downpayment." The itemization must state: (1) the agreed value of the property being traded in; (2) the prior credit or lease balance, if any, owing on the property being traded in; (3) the net



# TITLE PROCESSING CENTER

1525 Huguenot Road Suite 202 Midlothian, VA 23113

## WHAT WE CAN DO

SERVICING BOTH DEALERS AND GENERAL PUBLIC!

- Replacement & Substitute Titles
- Title and Registration Transactions
- Original Titles VA and Out of State
- Supplemental Lien Titles
- Registrations Original, Renew, Reissue and Transfer
- Lien Release Titles
- Abandoned Vehicle Titles
- Repossessed Titles
- Order Specialty and Personalized Plates

\*WE CANNOT PROCESS ANY DRIVER LICENSE, LEARNER'S PERMIT, ID CARD, MOTOR CARRIER, TESTING OR REINSTATING TRANSACTIONS. NO FLEET VEHICLE RENEWALS, MECHANIC OR STORAGE LIENS.

HOURS OF OPERATION

Monday- Friday
9:00AM-5:00PM
Saturday
9:00AM-12:00PM
Sunday
CLOSED

agreed value of the property being traded in; (4) the amount of any portion of the downpayment to be deferred until not later than the due date of the second regularly scheduled installment under the contract; (5) the amount of any manufacturer's rebate; (6) the remaining amount paid or to be paid by the buyer as a downpayment; and (7) the total downpayment. The appellate court found that the three installments the buyer agreed to make after the vehicle purchase but before the first scheduled payment were deferred downpayments that had to be itemized in the RISC under Section 2982(a)(6). Because the buyer and the dealership agreed that he would pay half of his \$2,000 downpayment in installments after the date of the purchase, but the RISC stated that the buyer put down a single \$2,000 downpayment with no further installments, the appellate court agreed with the trial court that the dealership violated ASFA and concluded

that the trial court properly rescinded the RISC and awarded the buyer damages. See *Chavez v. Golden Auto Group, Inc.*, 2023 Cal. App. Unpub. LEXIS 4471 (Cal. App. August 1, 2023).

#### **COMPLIANCE TIP**

Our case of the month illustrates the importance of describing the terms of the transaction properly in your contract. This includes any deferred down payments that your customer has agreed to make after the vehicle purchase but before the first regularly scheduled payment. You should ensure that your contract is properly disclosing all of the specific items that you're required to disclose under federal and state law. Also, timing can be really important. For example, federal Truth in Lending disclosures must be provided to the consumer "prior to consummation" (a term the meaning of which can vary by

state, but will likely be the point at which the buyer becomes bound to proceed with the transaction). Federal disclosures, then, must be provided before the buyer signs on the dotted line. Does your state also have timing and/or presentation requirements? If so, do you know what they are, and are they and the federal requirement baked into your deal closing process?

So, there's this month's roundup! Stay legal, and we'll see you next month. ■

Eric (ejohnson@hudco.com) is a Partner in the law firm of Hudson Cook, LLP, Editor in Chief of CounselorLibrary.com's Spot Delivery®, a monthly legal newsletter for auto dealers, and a contributing author to the F&I Legal Desk Book. For information, visit www.counselorlibrary.com. ©CounselorLibrary.com 2023, all rights reserved. Single publication rights only to the Association. HC# 4877-0275-4173.



In the automotive industry, the influence of social media on car buying decisions is substantial. 44% of car buyers visit a dealership's social media accounts when deciding which automobile to purchase, and 38% of car shoppers rely on social media to assess the dealership's friendliness and professionalism. To effectively achieve advertising goals using Facebook advertising, dealerships must have specific requirements. Let's explore these requirements and gain insights into the automotive industry:

#### 1. FACEBOOK PAGE

A Facebook Page is an essential tool for reaching your audience across both computers and mobile devices. It allows you to showcase your business information, engage with customers through posts and messages, run targeted advertisements to increase awareness and drive sales, and obtain valuable insights based on user actions.

Facebook Page helps car dealers build a brand and community value. Also, they can execute, monitor and review content performance and set specific permissions for their employees to help manage the dealership's page.

#### 2. META BUSINESS MANAGER

Meta Business Manager enables advertisers to securely share assets, such as Facebook Pages, Instagram accounts, audience lists, or product catalogs, among multiple team members. It controls user access and permissions for ad accounts, pages, and apps while efficiently tracking ad spending through comprehensive overviews and detailed views.

#### 3. META ADS MANAGER

Meta Ads Manager is a centralized platform that simplifies the creation, management, and tracking of ads across Facebook, Messenger, Instagram, and Audience Network. To create a successful ad campaign, start by selecting a campaign objective, such as "Catalog Sales" to showcase inventory and generate sales or "Reach" to maximize ad visibility within your target audience. Understanding the three key components of a Facebook ad— Campaign, Ad Set, and Ad—is crucial. At the campaign level, define your advertising objective. Within the ad set, fine-tune your strategy by setting parameters like targeting, budget, and scheduling. Finally, the ad itself consists of creative visuals to captivate and engage your audience.

#### 4. META PIXEL

By implementing the Meta Pixel on your website, you can target users who have visited your site with automotive inventory ads. The Meta Pixel tracks user actions, such as viewing specific vehicles or entering payment information, allowing for targeted ad delivery to potential customers more likely to purchase. To optimize the effectiveness of these ads, it is essential to integrate custom data events into different website pages. These events should include specific parameters, such as make, model, and year, to enhance the ad's relevance. Additionally, establishing a connection between your Facebook pixel and the catalog ensures seamless functionality for a successful advertising campaign.

#### 5. VEHICLE CATALOGUE

A vehicle catalog is a comprehensive collection of product information for the inventory you want to advertise. While advertising your complete inventory is recommended for maximum exposure, you can also focus on specific subsets of your offerings using Vehicle Sets. Vehicle Sets allow you to curate particular groups of vehicles to feature in your ads. For example, you can create a Vehicle Catalog with your entire inventory and establish a Vehicle Set exclusively for advertising trucks, while another set can be dedicated to promoting vans.

The approach varies based on the dealership's size. For dealers with more than 50 vehicles, add inventory by creating and uploading a vehicle feed in Catalog Manager, ensuring all required fields are included. Utilize Vehicle Sets to group vehicles together. For smaller dealers with fewer than 50 vehicles, manually add vehicles to the Vehicle Catalog in Catalog Manager, providing the necessary details for each vehicle. Apart from the size of your car dealership, you need to associate a pixel or mobile SDK with the catalog for tracking and optimization.

#### **6. ATTRIBUTION & OFFLINE EVENTS**

Traditional marketing attribution tools often rely on cookies and last-click attribution, which may not provide a complete and accurate understanding of the impact of your ads on business outcomes. Gain valuable insights into the impact of your ads with Facebook Attribution, a powerful tool that measures and analyzes ad performance across multiple publishers, channels, and devices. Car dealers can understand the actual value of the ads and identify the most effective campaign strategies. Most dealers find a 90-day, even-credit model for vehicle sales effective, providing fair estimates across touchpoints. Also, you can combine Attribution with offline events to connect sales back to your advertising efforts. This integration lets you measure how Meta ads contribute to real-world outcomes, providing a comprehensive understanding of campaign effectiveness.

Sean Toussi serves as the CEO and cofounder of Glo3D.com. He is expert in new technology trends and the auto industry and is regularly featured in publications such as Forbes, Digital Dealer magazine, and UCD magazine. Additionally, he is a member of Forbes magazine's technology counsel, BoA of NY Auto museum and speaker at the UN economic forum and NIADA conferences.



UNITS WEEKLY!

4805 PHILADELPHIA RD, P.O. BOX 200, BELCAMP, MD 21017

#### **THURSDAYS**

CAR & TRUCK SALE at 8:00am

Featuring: Repossessed Assets from Banks, CUs & Financial Institutions

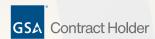
#### WEEKLY DEALER SALE at 9:00am

American Credit Acceptance • Ally • ARI • Boyle Buick • CAC • Chrysler Capital • CPS • Element • Enterprise • Exeter • First Investors • GM Financial • Hertrich • IG Burton • Jones • Lindsay • Location Services • M&T Bank • Mile One/Bargain Buys • OneMain • Santander • Truist/RAC • U-Haul • and Many More Great Consignors!

# **BI-WEEKLY** CLOSED SALE



**MONTHLY**GOVERNMENT



1300 BUSINESS CENTER WAY, EDGEWOOD, MD 21040

#### **THURSDAYS**

**WEEKLY DEALER SALE at 8:30am** 

Featuring: Rental Run & Drives, Repos, Donations, Scratch & Dent, Fleet/Lease & Inop Rentals

LAST THURSDAY of the month: State & County Sale

#### **EVERY 2nd TUESDAY**



at 9:00am followed by:





# INDUSTRY LEADING, DEALER MANAGEMENT SOFTWARE AND WEBSITES.

We know that dealers like you are looking for better ways to manage your dealership by saving time and making more money. Wayne Reaves Software has been helping thousands of dealerships operate more efficiently, and we can help you too. We offer affordable software and websites, with features that help you easily finance your customers, track leads, pull reports and keep an eye on inventory. No matter what your budget, you won't find a better company to trust with your business.



800.701.8082 | WWW.WAYNEREAVES.COM



Virginia Independent Automobile Dealers Association 1525 Huguenot Road, Suite 102 Midlothian, VA 23113 (800) 394-1960 | info@viada.org

