

COLORADO INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

FRONT LINE

Q3 2021

HIGHLIGHT

Charity Fund Gala: Call for Auction Items!

**Are you this year's CIADA Quality Dealer?
Nominate yourself TODAY!**

ALERT: Sales Tax has changed again!

**Big Tech's Steps Towards Privacy:
What it Means for Dealership Advertising**

CIADA Heads to NIADA Convention

NIADA Governmental Affairs Update

PLUS!

**7 Warning Signs of Money
Laundering at Your Dealership**



FRONT LINE MAGAZINE

The official digital magazine of the
**COLORADO INDEPENDENT
AUTOMOBILE DEALERS ASSOCIATION**
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Front Line magazine is published quarterly by the CIADA, representing quality independent automobile dealers since 1941. CIADA assists members in becoming more successful within the used motor vehicle industry by consistently bringing you industry education, valuable information, services and benefits designed to prepare members for an ever-changing marketplace.

DealerNotes

BRIEF UPDATES FOR COLORADO AUTO DEALERS

4th QUARTER ALREADY?!!

Hard to believe we are now in the fourth quarter of 2021. We have made numerous adjustments this year to survive the lack of inventory that only gets worse day by day as the shortage of chips and material to build new vehicles continues. As new car franchises run out of inventory to sell, they turn to keeping vehicles we would purchase for our customers. We now must work harder and smarter to find new sources of inventory for our customers. Look for new markets to explore for your inventory. If an opportunity presents itself, do not pass on it. Find an advantage where one did not exist.

The *Independent Dealer* has always found a way to be successful and this time will be no different!

KEEP SELLING, KEEP SMILING, AND
KEEP YOUR EMPLOYEES AND YOURSELF SAFE!

ALERT: Sales Tax has changed again!

The updated form, DR 0024 (08/04/2021), is mandatory 11/1/2021.

The grace period is for dealerships that are NOT delivering motor vehicles to the buyer's home or business.

The exception is when a motor vehicle is delivered to the customer's home, business or anywhere away from your place of business. Think of the delivery location as your new dealership! The updated form must be used instead of the old form, starting 09/01/2021. NO GRACE PERIOD if you deliver the vehicle.

There will be a SALES TAX TRAINING CLASS on September 27th at 9:00AM.

Learn the proper way to submit this new sales tax form to prevent rejections.
Location: CIADA office (950 Wadsworth Boulevard, Suite 101, Lakewood, CO)

REGISTER HERE

Support us with
amazonsmile
You shop. Amazon gives.

REMINDER: If you shop on Amazon, [register here](#), and Amazon will donate .5% of what you spend to the Used Car Dealers of Colorado Charity Fund, which will help them continue their mission of Changing Lives Across Colorado!

Charity Fund

H I G H L I G H T

ANNUAL CHARITY FUND CALL FOR AUCTION ITEMS

We are currently seeking donations of auction items for our annual Charity Fund Auction. We welcome all sorts of items, small to large, purchased, handmade, services, trips, gift cards, autographed items, etc.

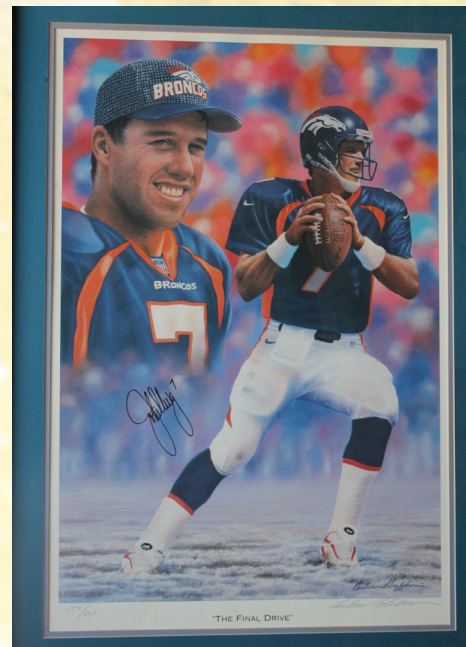
Support from our sponsors and revenue raised through our silent/live auctions are the methods of funding for our Charity. We will have auction items donated by members and sponsors along with an end of the evening paddle raiser to fund our mission as we continue Igniting Hope in a Time of Need across Colorado. All proceeds from this special one-night event will be used by the CIADA Charity Fund to help support the organization and the services it provides. Our Gala is expected to attract more than 400 attendees, including automotive industry professionals from around the country.

Please drop items off at our Lakewood office or call for other arrangements.

We look forward to seeing everyone at this year's event. It promises to be one of the biggest yet! ■



Michael Irvin and ACV Auctions donates a signed football for this year's Gala.



MAKE PLANS TO JOIN US!

Charity Fund Gala

WE'RE CHANGING LIVES

SATURDAY, NOVEMBER 20

The Westin Hotel - Westminster, 10600 Westminster Blvd., Westminster, CO

FOR MORE INFORMATION, PLEASE VISIT

CIADACHARITYFUND.ORG

Big Tech's Steps Towards Privacy: What it Means for Dealership Advertising

By Jonathan Lucenay, Client Command's Founder and CEO

We're just beginning to see the story of data privacy and big tech play out, and it's important to stay aware of how market and economic dynamics, shifts in consumer behavior, marketing trends, and technology advances can impact your dealership.

Data privacy and big tech. It's a topic that likely lived on the back burner as you've run your dealership over the past few years. However, it's been top-of-mind for technology companies and, more importantly, consumers for several years. And in 2021, it's front and center as big tech takes headline-grabbing actions to position themselves as advocates for consumer data privacy. Why does that matter to automotive? These actions have immediate and long-lasting impacts for your dealership advertising and how you engage the customers you desire to serve.

THE BIG PICTURE

Before we get practical, let's dig into the overall picture for a brief moment.

Since Facebook's data-sharing practices came under scrutiny in 2018 following reporting on Cambridge Analytica, consumers and legislators have focused their attention on big tech's use of data. Meanwhile, big tech has taken a varied approach in rolling out efforts over the past few years to proactively address the shifting landscape.

Although most of the recent talk about privacy and big tech has focused on third party cookies — mainly because the biggest player, Google Chrome, will



put the final nail in the third party cookie coffin by year's end — the conversation is much wider reaching. Every player in the technology space is assessing their approach to consumer data and how they do or do not use it for advertising.

If it feels like the ground is shifting for everyone connected to the digital advertising space — it is, to a degree. And it is culminating with the biggest players making big efforts to make known their positions on privacy and the actions they are taking to protect it. In January, Apple announced an App Tracking Transparency feature with the spring release of iOS 14.4. This gives consumers the ability to grant permission for apps to share data across websites and apps. And it was met by push back from Facebook. In March, Google announced plans to move away from technologies that track individual people across the web and group people based on shared interests. This too was met by push back, with other tech companies alleging that the solution is more about fortifying Google's dominance of digital advertising dollars than protecting consumers.

I'm not trying to get us caught in the big tech swirl. What I want to make clear is no matter how the big tech companies position

themselves, we know there is a high level of uncertainty around what the next phase of digital advertising will look like as these changes take root. And any big (or small) tech company that says they are perfectly positioned for the residual impact of what is a rapidly evolving landscape is not being honest with themselves, or with you.

HOW IT AFFECTS YOU

So, how does this impact the decisions you are making at your dealership? At the center of all we've discussed is people. People who are increasingly wary of companies tracking them across the web, gathering personal data and using it in a manner they believe benefits business at the expense of their privacy. People who increasingly care about trust and transparency in every purchase, especially big purchases like buying a car. People who are willing to exchange data for a preferred customer experience.

People are not stagnant. Technology is not stagnant. Both are vibrant and ever-changing. What is important for your dealership to recognize is that to win with consumers (and grow your business), you need a data-driven marketing approach, but it must be one that puts consumers first and builds trust for your business.

What should be central to the marketing strategies you implement and the partners you choose, is making sure all parties are thinking like a consumer. With 2020 still in clear view, your dealership likely made significant shifts to do what's best for the consumer. Whether it was incorporating digital retailing tools for prospective buyers or implementing pick-up services for service repairs, your efforts paid off. Over and over again, we saw customer satisfaction rise and consumers paying more for an experience that prioritized safety.

Similarly, your data and marketing partners should be recommending solutions that are actively working to gather as much data as possible to enable a personalized experience in a way that honors current and anticipates future consumer privacy standards. Your dealership must power your marketing efforts with data that is intentionally structured to give you a competitive advantage while protecting consumer privacy.

As important as privacy is, thinking like a consumer does not mean reverting back to delivering irrelevant mass media messages. Yes, consumers are pushing for privacy, while they simultaneously increase the amount of time they spend engaged online, in apps and in streaming services. Consumers still want a relevant experience, especially when they offer their info. This can be submitting lead forms or engaging with a digital retailing widget on your website. It also includes engagement with your marketing that gives your dealership (or marketing partner) the ability to personalize the experience. Your partners must be able to thread that needle. It is critical for delivering customer experiences that sell cars and drive gross profit for your dealership.

After all, isn't that where you need to be spending your time — investing in the people and processes that lead to car sales, a strong service drive, and overall profit for your dealership? I think so. It's also important to stay aware of how market and economic dynamics, shifts in consumer behavior, marketing trends, and technology advances can impact your business. We're just beginning to see the story of data privacy and big tech play out. ■

CIADA HEADS TO NIADA CONVENTION



CIADA Director Joe McCloskey on stage with fellow CIADA Board Members at the NIADA Convention where he was elected President to lead NIADA. Congratulations NIADA President Joe McCloskey!



CIADA Board members discussing morning training sessions during lunch with NIADA President McCloskey

BE SURE TO CHECK OUT POPULAR CIADA CLASSES!

WHAT'S NEXT? "Building A Successful Dealership" on 9/20/21

Title Training on 9/24/21

Pre-Licensing Class - Every Wednesday

[\[CLICK HERE TO SEE THE CALENDAR\]](#)



7 Warning Signs of Money Laundering at Your Dealership

By Aaron Hartshorn, District Manager, F&I and compliance, at KPA

At a car dealership, everyone should be trained to recognize the signs of money laundering – and to understand the full context of a transaction.

It's no secret that criminals have long bought cars (often used cars) with cash as a way to launder money. With demand for used cars on the rise, now is the time for dealership professionals to refresh their memories on warning signs that a customer may be attempting to launder money.

HERE ARE SEVEN:

1. Zero Negotiating on Price

When a buyer doesn't negotiate at all on a car's price, it's a red flag.

Money laundering happens when a criminal conceals the origins of money obtained from criminal practices. While a legitimate buyer likely wants to explore all possible avenues for reducing sticker price, the money launderer is more concerned with their ability to funnel their money into a legitimate purchase, like a car.

2. Frequent Purchases and Trade-ins

A money laundering transaction is complete when the criminal sells the asset they purchased with dirty money for clean money they can then deposit into a bank.

If a buyer comes in every six months to trade in their car and buy a new one, pay attention. This isn't a financially savvy move because of how cars depreciate, which means the buyer may have nefarious motivations.

3. Asking about "The Form"

Dealerships have to file a Form 8300 with the IRS when someone pays more than \$10,000 in cash (or cash equivalent) for a vehicle or for services provided by the dealer. This form was created to help the

government identify and track people who spend large amounts of cash to deter, among other things, money laundering.

Many people engaging in money laundering know about this form and want to do everything in their power to stay off the IRS's radar. If someone asks you whether you'll have to fill out "the form" for the purchase they're planning — and, yes, this happens — that's a major red flag and can lead to an attempt for the customer to "structure" the deal to avoid the Form 8300 filing requirement.

4. Paying Just Under \$10,000 in Cash

Of course, those who know how Form 8300 works may simply opt for transactions where they pay less than the \$10,001 threshold in cash. If a buyer insists on paying something like \$9,999 in cash, that's a red flag.

F&I professionals know, of course, that they can file Form 8300 even if a buyer pays less than \$10,000 in cash if a transaction seems suspicious. Although perhaps the better course of action would be to not go forward with that suspicious deal in the first place.

5. Third-Party Payments

Payments from third parties are sometimes overlooked regarding filling out the Form 8300, simply for the fact that the name of the third party is not on the purchase contract.

The fact that a third party is providing a large cash payment also limits the paper trail of that third party's activities.

When someone returns to your dealership over and over acting as a third-party "piggy bank" for different customers, it can be a sign that the person is looking for a way to clean a lot of dirty money.

6. Straw Purchases

A "straw purchase" is a transaction where

financing is obtained, but the person primarily driving the vehicle is not named on the contract, title, and/or insurance. Where we can see a straw purchase and money laundering overlap is where the straw buyer is provided money for the purchase of the vehicle by a third party, the money launderer. The straw buyer may then sell the vehicle within a certain time frame and return the “cleaned” proceeds to the third-party launderer.

Typically, this scheme involves the primary buyer of the vehicle to sell it within a certain time frame and return the proceeds to the third-party buyer.

7. Generic-Looking Documents or Paperwork

As you’re reviewing a customer’s paperwork, be on the lookout for documents that may be forged. Foreign IDs that you can’t validate or an “international driver’s license” (not a real thing), for example, should put you on alert.

While there are perfectly legitimate reasons that a buyer might have a non-U.S. identification, trust your instinct if something about the document you’re viewing feels off.

Play Defense and Consider the Full Context
At a car dealership, everyone should be trained to recognize the signs of money laundering — and to understand the full context of a transaction. It’s important to note that, while the behaviors in this article can be red flags, it’s also possible that they have a perfectly benign explanation.

Still, actively managing risk is essential. If you suspect money laundering, your dealership personnel should stop the car deal immediately. If you are negligent and/or if your behavior otherwise contributes to a criminal’s ability to launder money, you could face fines and jail time.

The good news here is that a little education goes a long way. Make team training and awareness priorities at your dealership, and you’ll be in good shape. ■

Are you this year’s CIADA Quality Dealer?

Nominate yourself TODAY!

CIADA QUALITY DEALER AWARD GUIDELINES

These basic qualifications, as recommended by the National Independent Automobile Dealers Association should be:

SERVICE TO INDUSTRY

1. Candidates should meet the following criteria:
2. Support the CIADA and NIADA associations through their service.
3. Demonstrate a willingness to be helpful in performing Association duties when asked.
4. Willingness to make a commitment to attend the annual National Convention.
5. Have the necessary credentials to compete at the National level since the winner represents CIADA for the National award.

OUTSTANDING BUSINESS OPERATOR

Dealer should be committed to offering exceptional services to customers, both during and after a sale. Always maintains the highest standards as they relate to employee and business associate relations. Dealer should be highly respected and enjoy a good personal and business reputations within their local community.

Candidates should meet the following criteria:

1. Have a minimum of five years experience as a successful licensed Independent Dealer and member of CIADA and NIADA for a period of no less than three years. The candidate must be the “Dealer Principal” or listed as the President of the dealership corporation.
2. Have a sanction fee record with the Colorado Dealer Licensing Board – have no outstanding or unanswered complaints with the Better Business Bureau or Consumer Affairs division of the Colorado State Attorney General’s office.
3. Candidate’s dealership operation should reflect pride of ownership and offer an attractive appearance of facility, grounds and inventory.
4. Candidates should have an outstanding reputation of good customer relations and the handling of customer complaints in an expedient manner.
5. Operate their business in accordance with the CIADA Code of Ethics.
6. Their dealership operation should be a credit to the Independent Dealer community and the Used Motor Vehicle Industry as a whole.
7. Candidates should furnish several customer and employee testimonial letters, as well as business and personal letters of recommendation.
8. Extra thought should be given to those candidates who are NIADA Certified Master Dealers.

COMMUNITY SERVICE

Affiliations and involvement in community affairs.

Candidates should be involved in the affairs of their local community.

CLICK HERE FOR AN APPLICATION

GOVERNMENTAL AFFAIRS UPDATE

SEPTEMBER 2021



By Brett Scott, NIADA Vice President, Government Affairs

NOTE: Senate is in recess until Sept. 13; the House until Sept. 20.

SENATE BIPARTISAN CORE INFRASTRUCTURE BILL

Note: House will vote on Sept. 27 on the above bill with no amendments allowed.

The bill does not include provisions on motor vehicle safety, EV purchasing, cash for clunkers and semiconductor chips. Must continue opposition advocacy through House consideration of the core infrastructure bill, congressional consideration of a human infrastructure bill, and the FY22 appropriations bills. Issues of interest that are included in the Senate bipartisan core infrastructure bill -

The bipartisan highway bill from the Environment and Public Works and Commerce Committees;

\$7.5B for the EPW's Electric Vehicle Charging and Fueling grant program to deploy EV, hydrogen fueling infrastructure, propane fueling infrastructure and natural gas fueling infrastructure while also including a state formula program for EV charging infrastructure deployment;

\$7.5B for the production and procurement of electric vehicle and low carbon school buses and ferries, to include hydrogen fuel cells, liquefied natural gas, and other alternative fuel technologies;

Requirement that the Secretary of Energy conduct a study on the cradle to grave environmental impact of electric vehicles; and,

Requirement that the Secretary of Energy study the impact on forced labor in China on the electric vehicle supply chain.

HUMAN INFRASTRUCTURE BILL

Currently being drafted by various committees. Drafts due by Sept. 15. Highly unlikely recall safety will be included given reconciliation rules. Watching for

other possible items – electric vehicles, for example. Final vote goal is Oct. 1. Only simple majority required in the Senate.

SAFETY RECALLS: BILLS OF INTEREST

The bipartisan Senate Commerce Committee title to the highway bill (which does not include a motor vehicle safety provision) and portions of the Markey PARTS Act (which the Association supports) are included in the Senate-passed mega infrastructure bill. To review, on June 16, the Senate Commerce Committee marked up its version of the highway bill. Senator Blumenthal filed his grounding bill as an amendment. It was not accepted by the leadership of the Committee as part of its bipartisan bill and Blumenthal did not offer his bill separately. Leading up to the markup there was extensive lobbying by NADA, NAAA and NIADA with a number of meetings held with Committee staff (both majority and minority) and Commerce Committee member staffs. As the attention shifted to the Floor consideration of the infrastructure bill which again included the Commerce Committee title, the focus was on whether Blumenthal would pursue his amendment. In addition, since the Committee markup another recall provision surfaced drafted by Honda that adds to Blumenthal onerous fines and criminal penalties and, unlike Blumenthal, does not exempt auctions. Again, the three associations embarked on an extensive advocacy effort in opposition to any grounding amendment, targeting first the Committee leadership and then Committee members in those states where the three associations have significant member/personal presence. Our fallback to any grounding amendment is a study to address many of the questions that have never been thoroughly answered. On the House side, the Energy and Commerce Committee did not include any motor vehicle safety provisions in its highway bill mark.

To review further, on May 26, Senator Blumenthal, with Senators Markey and Warren as cosponsors, introduced S. 1835, the "Used Car Safety Recall Repair Act." Mostly similar to the motor vehicle safety recall bills that Blumenthal has introduced in past Congresses, S. 1835 would prohibit auto dealers from selling, leasing, or loaning vehicles with unrepaired open recalls to consumers. To ensure such repair, the bill would enable auto dealers to sell recalled vehicles to other auto dealers who have the ability to fix the defects at wholesale process. The bill would also establish a new reimbursement program to hold auto manufacturers accountable if they fail to provide auto dealers with the parts to repair safety defects within 60 days. Wholesale sales are exempt from the requirements of the bill.

Also, on April 28, Senator Markey, with Senators Blumenthal and Baldwin as cosponsors, introduced S. 1416 (the PARTS Act) which authorizes the U.S. DOT to provide grants to states for use in notifying motor vehicle owners at the time of registration about manufacturer-issued safety recalls, as well as require additional reporting and an annual scorecard on how effectively automakers are completing any recalls.

Lastly, on February 23, Senator Klobuchar (D-MN), with Senators Blumenthal (D-CT) and Markey (D-MA), introduced S. 376 which directs the Government Accountability Office to study motor vehicle recalls and the reasons why vehicle owners do not have repairs performed for vehicles subject to such recalls. It also directs the National Highway Traffic Safety Administration to study how vehicle recall notices can (1) more effectively reach vehicle owners, (2) be made easier for consumers to understand, and (3) incentivize vehicle owners to complete the repairs described in such notices. The bill does not authorize any appropriations. Also on February 23,

Congressman Henry “Hank” Johnson (D-GA-4), with Congresswoman Schakowsky (D-IL-9) as one of the cosponsors, introduced H.R. 1239, the same bill.

USMCA

The Association, in conjunction with NADA and NAAA, continues to seek a meeting with Katherine Tai, the U.S. Trade Representative, regarding the impact of the new tariff increase on vehicles manufactured prior to July 1, 2020, the effective date of the USMCA. On June 17, NADA, NAAA and NIADA had a virtual meeting with the office of the U.S. Trade Representative. The purpose of the meeting was to request that the USTR revisit the issue and adopt a different interpretation; that is, basically grandfathering from the new tariffs vehicles manufactured before July 1, 2020, as those vehicles were manufactured pursuant to different NAFTA standards, and pending the USTR's review, relaxed tariff enforcements would continue as they have been in place since July 1, 2020. The June 17 virtual meeting was not very productive. The Trade Rep did not attend and the staffer who did was neither senior level or very knowledgeable about the issue. An NADA/NIADA and NAAA statement of concern was submitted to the Senate Finance Committee for the record as part of its July 27 hearing. Another letter to the USTR expressing concern about the issue and requesting a meeting with the Trade Rep was sent.

ELECTRIC VEHICLES/CASH FOR CLUNKERS???

Included in the President's original infrastructure proposal is \$174B for electric vehicles to accelerate the shift to electric vehicles, consumer rebates and tax incentives to buy American-made electric vehicles, a new grant and incentive program to build a national network of 500,000 charging stations by 2030. Also, in his FY22 Budget is \$600M for EV's and charging infrastructure for 18 Federal agencies, including GSA and the Postal Service. These could be the impetus for another round of cash for clunkers along the lines of the Schumer Clean Cars for American Plan which he announced last Congress.

The Plan would give consumers a cash voucher to trade-in their gas-powered cars and buy U.S.-assembled plug-in electric, plug-in hybrid, or hydrogen fuel cell cars; establish a new grant program for access to charging infrastructure; and, provide incentives for manufacturers to build new factories or re-tool existing factories to assemble zero-emission vehicles or manufacture charging components. The Plan is supported by the Sierra Club, the NRDC, the League of Conservation Voters various labor unions, Ford and General Motors. Schumer said the Plan would result in 63 million fewer carbon-emitting cars and would create tens of thousands of good-paying jobs.

CHIP PRODUCTION

The Senate, on a bipartisan vote of 68-32 and with the support of the President, passed the “U.S. Innovation and Competition Act or USICA” which appropriates almost \$250B to bolster manufacturing and technology to meet the economic and strategic challenges from China. Of that amount, \$52B is provided to help domestic manufacturers of semi-conductors expand chip production, as issue that has gained urgency with a global shortage of chips that has impacted U.S. automotive plants affecting the availability of automobiles resulting in disruption to the economy and negative impact on consumers. The President's original proposal was for \$50B. The bill also provides \$120B for the National Science Foundation, NASA, the Departments of Commerce and Energy and various research facilities and universities.

FROM THE BIDEN FY22 BUDGET

Increases Demand for American Made, Zero-Emission Vehicles through Federal Procurement - to provide an immediate, clear, and stable source of demand to help accelerate American industrial capacity to produce clean vehicles and components, the discretionary request includes \$600 million for electric vehicles and charging infrastructure in the individual budgets of 18 Federal agencies, including dedicated funds at the General Services Administration for other agencies and for United States Postal Service charging infrastructure.

Electrifies the Federal Vehicle Fleet - the discretionary request includes \$300 million to purchase electric vehicles and charging infrastructure at GSA as well as \$300 million for other Federal agencies to electrify the Federal motor vehicle fleet and reduce carbon emissions. This includes GSA's leased fleet of over 200,000 cars, trucks, sport utility vehicles, and buses, the majority of which run on gasoline. The investment serves as a down payment to support a multiyear transformation of the Federal fleet.

S. 1249, PPP FLEXIBILITY FOR FARMERS, RANCHERS AND THE SELF-EMPLOYED ACT

The bill, introduced on April 20 by Small Business Committee Chair Cardin, with 9 cosponsors, would allow self-employed Americans to qualify for more aid under the Paycheck Protection Program, which offers government-backed loans that can be forgiven if businesses maintain payroll. Specifically, the bill amends the Small Business Act to modify the maximum paycheck protection program loan amount for farmers and ranchers, sole proprietors, independent contractors, and self-employed individuals, and for other purposes.

H.R.2547, COMPREHENSIVE DEBT COLLECTION IMPROVEMENT ACT

Passed the House on May 13 by a vote of 215-207. Introduced by Congressman Waters, Chair of the Financial Services Committee. The bill provides financial protections for consumers and places restrictions on debt collection activities. The bill expands certain protections currently applicable to federally-backed student loans to private student loans, including by requiring the discharge of a private student loan in the event of the borrower's death or total and permanent disability; prohibits a consumer reporting agency from adding any information related to a debt arising from a medically necessary procedure to a consumer credit report and places restrictions on the reporting of other types of medical debt; and applies certain consumer protections regarding debt collection to debt owed to a federal agency,

to states, to debt buyers, and to businesses engaged in non-judicial foreclosures. It also prohibits certain loan conditions that limits a borrower's opportunity to be heard in court in the event of default. Additionally, the bill restricts debt collectors and debt collection practices by prohibiting a debt collector from representing to a service member that failure to cooperate with a debt collector will result in a reduction of rank or similar action, and limiting a debt collector's electronic communications with a debtor without the debtor's permission. To date, no action by the Senate.

H.R. 166, FAIR LENDING FOR ALL ACT

Ordered reported by the Financial Services Committee on May 12 by a vote of 28-24. Introduced by Congressman Al Green (D-TX-9) on Jan. 4. The bill modifies provisions related to prohibited credit discrimination. The bill adds sexual orientation, gender identity, and an applicant's location based on zip code or census tract as classes protected against discrimination with respect to credit transactions. (Currently, discrimination is prohibited on the basis of race, color, religion, national origin, sex, marital status, age, or because an applicant receives public assistance.) The bill establishes criminal penalties for violations of prohibited credit discrimination. The Consumer Financial Protection Bureau is required to review loan applications for compliance with specified consumer laws and to establish an Office of Fair Lending Testing.

FAIR ACT (FORCED ARBITRATION INJUSTICE REPEAL AC)

On February 11 Congressman Henry Johnson (D-GA-4) introduced as H.R. 963 (196 cosponsors now) the same bill that he introduced last Congress, H.R. 1423, and that passed the House. That bill would prohibit a pre-dispute arbitration agreement from being valid or enforceable if it requires arbitration of an employment, consumer, antitrust, or civil rights dispute. Also last Congress, Senator Blumenthal introduced S.610, a companion bill. No Senate action last Congress on either the House-passed bill or the Blumenthal introduced bill.

CFPB ACCOUNTING STANDARDS STUDY

No current action. Last Congress, no action on introduced bills; administrative action pending. Senator Thom Tillis (R-NC) introduced S.1564, the "Continued Encouragement for Consumer Lending Act." Congressman Vicente Gonzalez (D-TX-15) introduced H.R. 3182. Both bills would require the CFPB and other agencies to carry out a one-year study relating to accounting standards, focusing on the impact on credit availability, regulatory capital, financial institutions, investor decisions, and U.S. institutions. Further congressional action unclear given November 2019 directive by the Financial Accounting Standards Board to delay implementation of the new standards.

CFPB EXECUTIVE DIRECTOR

Confirmation of Rohit Chopra, Executive Director nominee, is controversial given his past involvement with the CFPB and his anti-business statements. On March 10, the Senate Banking Committee, by a vote of 12-12, recommended to the full Senate the nomination of Chopra as the next executive director. A March 2 hearing was held on the nomination.

MILITARY LENDING

On June 30, the Department of Defense submitted a report pursuant to the FY21 National Defense Authorization Act on a Military Annual Percentage Rate (MAPR) lower than 30% and its impact on military readiness and service member retention. The report concluded, in part, that while DOD takes no position on the merits of lowering the MAPR limit at this time, it is committed to continue working with Congress to support the financial readiness of service members and their families and is willing to provide comment on any such proposal when appropriate.

MINIMUM WAGE

See Bill Tracking section. Last Congress, the House passed H.R. 582, "Raise the Wage Act," that would raise the federal hourly minimum to \$15 by 2024 (with yearly

REMEMBER TO FALL BACK

**Daylight Savings
Time ends soon!**
The time change
will happen at
**2 a.m. on
Sunday, Nov. 7.**



increments @ \$1.30) and also phase out the so-called “subminimum” wages for tipped workers, young workers and workers with disabilities. Senator Bernie Sanders (D-VT) introduced S. 150, basically the same bill. No Senate action on either House or Senate bill.

E-TITLING/SALVAGE BRANDING

Still an on-going issue. A titling issue arose in some states (Ohio, Nevada, Virginia, Oregon etc.) having to do with salvage branding per the JSI information reported to the NMVITIS data base. The Association, in conjunction with other stakeholders, is assessing the situation and its impact on the industry.

NHTSA STATE PILOT REGISTRATION RECALL NOTIFICATION PROGRAM

NHTSA announced a grant program that will give states funding to inform drivers

about open recalls with vehicle registration and other points of contact. Maryland was the first participant. On January 15, 2021, NHTSA announced \$1.3 million for the States of California, Ohio and Texas.

AUTO CAUCUSES

No current action. Last Congress, Congresswoman Kaptur (D-OH-9) and Congressman Kelly (R-PA-16) served as co-chairs of the House Auto Caucus. Senator Portman (R-OH) and Senator Brown (D-OH) were co-chairs of the Senate Auto Caucus.

BILL TRACKING

We are taking a different approach on bill tracking. Hundreds of bills (not counting numerous reports, markups, publications and congressional record citations) are introduced and the numbers increase daily - for example, as of August 31, there are 281 motor vehicle bills, 166 CFPB bills, 428

debt bills and 181 minimum wage bills that have been introduced since January. Many are not relevant to our issues and most never get beyond the introduction stage. Therefore, what we are going to do is focus on bills that are marked up by committees and/or come to our attention and identify and report on those of interest. Markup of a bill demonstrates a level of importance and interest.

S.2387 — 117th Congress (2021-2022)

SMALL BUSINESS TAX FAIRNESS ACT

Sponsor: Sen. Wyden,

Ron [D-OR] (Introduced

07/20/2021) Cosponsors: (0)

Committees: Senate – Finance. This bill revises the tax deduction for qualified business income to limit eligibility for such deduction to individual taxpayers. It also modifies rules for calculating the amount of such deduction and limitations on it. ■

