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CATA contributes to relief efforts for Harvey victims

As was the case during the severe Louisiana flooding in August 2016, the need by dealership employees for financial assistance is great and will last for many weeks. The NADA Foundation's Emergency Relief Fund, which provides assistance to dealership employees after natural disasters, is soliciting tax-deductible donations to the fund at www.nada.org/emergencyrelief.

The CATA just do-

nated \$30,000 to the fund.

"Hurricane Harvey is now being called the worst flooding disaster in U.S. history, so those dealership employees in Texas need all the help they can get," said Ray Scarpelli Jr., chairman of the CATA. "The work there is just beginning, and the CATA wants to make a difference as people in Texas recover and get back on

SEE **RELIEF**, PAGE 3

Florida dealers: Insurers nix policies ahead of Irma

Insurers including Progressive and Allstate stopped issuing policies on new cars in certain Florida counties days before Hurricane Irma was forecast to hit, hindering vehicle sales there.

Ted Smith, the president of the Florida Automobile Dealers Association, charged that the companies were overreacting to losses incurred last month related to Hurricane Harvey by refusing to issue coverage. State Farm Mutual Automobile Insurance Co. was still issuing coverage and waiting until a national hurricane advisory before halting new poli-

SEE **IRMA**, PAGE 2



Automakers offer relief, deals to Texans in wake of hurricane

In addition to making donations to relief agencies such as the American Red Cross and community food banks, some automakers announced various offers of payment relief to customers whose vehicles were damaged by Hurricane Harvey flooding.

Cox Automotive estimated the number of vehicles damaged or destroyed by that hurricane and associated flooding to be between 300,000 and 500,000.

In addition to relief, the automaker offers could help them sell

more vehicles in what has been a very slow market.

Ford's special assistance bundle, "Texas Is Family," includes no-haggle, below-invoice employee pricing, no payments until next year, and low Ford Credit APR or lease rates. First responders in hurricane-affected areas can get a special \$1,000 discount, in addition to all available incentives, toward the purchase of any Ford or Lincoln vehicle.

GM Financial is assisting im-

SEE **OFFERS**, PAGE 2

Chicagoland Speedway to host job fair for auto/collision students

Dealership managers can meet an anticipated 1,000 college and high school automotive/collision students and Chicago area military veterans who are seeking employment at the 3rd annual Cars, Careers & Celebrities Expo, Sept. 15 at the Chicagoland Speedway in Joliet, during NASCAR weekend.

The event is being hosted by the Collision Repair Education Foundation and ASE, with attendees taking over the racetrack's hospitality village that afternoon during the career fair/trade show. About 50 companies are expected to partici-

pate.

For participation and sponsorship information, contact Education Foundation Director of Development Brandon Eckenrode at (847) 463-5244 and Brandon.Eckenrode@ed-foundation.org.

Proceeds from the expo will assist the Collision Repair Education Foundation, a 501(c)3 not-for-profit organization that provides additional support to high school and post-secondary collision school programs, students, and instructors.

Offers

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pected customers with payment arrangements and waiving related fees. Eligible customers who are replacing a vehicle may qualify for a 90-day deferred first payment. Chevrolet, Buick, GMC and Cadillac also are offering \$1,000 in Disaster Relief Assistance to customers in the most heavily impacted areas of Texas and Louisiana through Oct. 2. Also, General Motors is moving used-vehicle inventory to Chevrolet, Buick, GMC and Cadillac dealerships so that people with flood-damaged vehicles have access to rental cars and courtesy transportation.

Honda announced that its credit arm is offering loan extensions and is "significantly curtailing collection activities in the areas" and is working with its dealerships that are in need of assistance.

Hyundai Capital America offered to extend payment terms and redirect billing statements, and Hyundai and Genesis will give a \$750 discount on all 2017-2018 models for customers who had a vehicle damaged by the hurricane.

Nissan's captive financiers are proactively attempting to reach consumers living in FEMA-designated disaster areas to offer payment extensions and deferrals.

Subaru Finance1 will waive or refund late fees for accounts through Sept.

10, and is providing payment options for customers having trouble making monthly payment

Impacted lease and finance customers of Toyota Financial Services also can seek payment relief options, including extensions and deferrals, and redirected billing statements. Volvo Car Financial Services has relief options, and Volvo Car will give a \$1,000 benefit on any Volvo vehicle, whether or not the customer owned a Volvo.

Other manufacturers may be offering payment deferrals and discounts, as well. Automaker websites likely will have the latest details on each brand's payment relief assistance and other efforts.

Irma

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cies, he said Sept. 6.

"If you take (dealers) out of business for a week before a storm even hits and maybe a week after, you can imagine the impact, not just on consumers who are inconvenienced but the state's economic resources," Smith said. "I'm urging through our public officials that they talk to these insurance companies and make sure they follow the policy of State Farm: Wait until there's imminent danger before you stop writing cars."

Hurricane Irma, which Barclays estimates could cause as much as \$130 billion in damage, was forecast to reach Florida Sept. 9, the National Hurricane Center said. The insurance industry has already taken a hit from Hurricane Harvey, which inundated the Texas coastline and left parts of Houston, the fourth-largest U.S. city, under feet of water.

Progressive instituted binding restrictions on new customers in some Florida counties, said Jeff Sibel, a company spokesman, adding that insurers often do so ahead of

storms. Allstate had a property and auto moratorium in place in 23 counties, according to April Eaton, a spokeswoman. The companies are the third- and fourth-largest auto insurers in the state, according to data compiled by A.M. Best Co.

Barry Frieder, the president of Potamkin Automotive, which owns three dealerships in Miami, said that insurers stopped writing policies beginning Sept. 5.

"We've kind of been out of business since then," he said.

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U.S. to unveil self-driving car guidelines: sources

The Trump administration is set to unveil revised self-driving vehicle guidelines this week in Michigan, responding to automakers' calls for elimination of legal barriers to putting autonomous vehicles on the road, sources briefed on the matter said Sept. 5.

U.S. Transportation Secretary Elaine Chao was expected to unveil the revised guidelines Sept. 12 at a self-driving vehicle testing site in Ann Arbor, Michigan, four people briefed on the matter said.

A spokesman for Chao did not immediately comment. The White House Office of Management and Budget approved the undisclosed Transportation Department changes to the guidelines on Aug. 31, according to a posting on a government website.

The U.S. House of Representatives on Sept. 6 approved a sweeping proposal to speed deployment of self-driving cars without human controls and bar states from blocking autonomous vehicles. The measure could help many automakers and tech companies keep their pledges of getting self-driving cars on the market by 2020 or 2021.

The House voted on the bill under fast-track rules that allow no amendments. A bipartisan group of U.S. senators working on similar legislation has not introduced a bill.

The bill, passed unanimously by a House panel in July, would allow automakers to obtain exemptions to deploy up to 25,000 vehicles without meeting existing auto safety standards in the first year. Over three years, the cap would rise to 100,000 vehicles annually.

The House measure would require automakers to provide regulators with safety assessment reports proposed in the 2016 self-driving guidelines, but would not require pre-market approval of advanced vehicle technologies.

Consumer advocates have called for giving the National Highway Traffic Safety Administration quicker access to crash data and more funding to oversee self-driving cars.

Automakers and technology companies have sought easier federal rules for self-driving technology, while some consumer groups have pushed for more safeguards.

CATA has funds for local flood victims

As a reminder, local dealership employees who faced flooded homes after repeated July 2017 storms are eligible to apply for help from the NADA relief fund. Additionally, the CATA will match any of those funds disbursed to workers at area dealerships. Employees needn't apply for money from the CATA; the association will be apprised by the NADA of any grants and then match them.

Call the NADA for an application at (703) 821-7000.

The NADA fund awards grants on a sliding scale, from \$100 for losses up to \$999 to \$1,500 for losses of \$20,000 or more, based on damages not covered by insurance or other assistance.

"We have needs in our local area, so the directors made a decision to help our members' employees," said CATA Chairman Ray Scarpelli Jr. "This will help our own, when we need it."

Emergency Fund at risk of running dry: reports

The National Automobile Dealers Association's Emergency Relief Fund is at risk of running dry, Automotive News reported this month.

Dealership employees eligible for assistance from the fund because they were harmed by Hurricane Harvey are filing applications for aid faster than donations are coming in.

Texas is the auto industry's second-largest market in the U.S. after California, and major portions of the state's southeast region are under water with little or no

relief in sight.

That, teamed with the looming Hurricane Irma, is stressing the fund.

In the 36-hour period over the Labor Day weekend, the fund received more than 100 applications for aid, for a maximum of \$1,500 per recipient. The NADA estimates that from 30,000 to 35,000 dealership employees have been impacted. Dealer principals are ineligible for assistance.

On Aug. 30 alone, the fund received 70 applications. That represents potentially \$105,000 in assistance

— and a pace of requests that could empty the fund completely.

Mark Scarpelli, the 2017 NADA chairman, and Peter Welch, the association's president and CEO, on Sept. 7 joined Annette Sykora, chairman of the NADA Foundation and dealer principal of Smith South Plains in Level-land, Texas — between Lubbock and the New Mexico border — toured dealerships to distribute aid checks.

Officials planned to create videos of the situation on the ground to aid the NADA's fund-raising efforts.

Relief

CONTINUED FROM PAGE 1
their feet in the challenging weeks and months ahead."

The NADA Foundation is also calling on dealers, dealer association groups and others to donate online to its Emergency Relief Fund, which is dedicated exclusively to providing financial assistance to dealership employees.

Personal or corporate checks can be made payable to Emergency Relief Fund and mailed to NADA Foundation, 8400 Westpark Dr., Tysons, VA 22102.

Donations to the NADA Foundation generally are tax-deductible.

Credit desk: An auto lender's secret weapon for dealer satisfaction

Great relationships trump low interest rates and product mix when it comes to automobile dealer satisfaction with lending institutions, a new J.D. Power study found.

According to the 2017 U.S. Dealer Financing Satisfaction Study, released in August, the interactions between dealers and frontline personnel working in the lender's credit department are at the epicenter of that relationship.

"Across all segments of auto lenders — non-captive, captive mass market and captive luxury — the dealer's relationship with the credit desk is a key driver of overall satisfaction and the lynchpin to a sustained, fruitful relationship," said Jim Houston, of J.D. Power.

"Because the credit staff is often the first point of contact—not just for credit decisions, but also for problem resolution—the role has to evolve, with credit analysts becoming much broader subject matter experts and frontline sales personnel taking on more focused roles."

Following are some of the key findings of the study:

- **Credit desk becomes "tip of the sword" in building dealer satisfaction.** For non-captive, captive luxury and captive mass market lenders, the credit desk represents more than half of the survey weight for overall satisfaction, compared with the impact of sales representatives.

Overall, the dealer/lender relationship outweighs application and approval process, lender offerings and lease return as the single most important variable associated with high levels of dealer satisfaction.

- **Sales reps move away from problem solving toward selling value.** Dealers overwhelmingly indicate that the credit desk is their first point of contact when looking to resolve problems, far outpacing sales representatives, sales support staff and regional managers.

As such, dealer satisfaction with sales reps is highest when reps focus on portfolio performance review, dealer-

ship performance consulting and customer retention vs. problem resolution and training.

- **Finding the Goldilocks scenario for dealer communications.** The optimal dealer communications mix for lenders involves a predictable cadence of monthly visits paired with weekly calls and emails.

When touch points outside of these preferred parameters are used, overall satisfaction with sales reps falls by as much as 30 index points (on a 1,000-point scale).

"What this study really tells us is that many lenders should be taking a good long look at the way they are currently staffed and think about transitioning some of their most seasoned industry experts into problem-solving roles in the credit department," Houston said.

"Correspondingly, they also need to think about how they're currently selling and re-evaluate whether it makes sense to have their best problem solvers on the road mak-

ing sales calls."

Methodology

The annual study, which was significantly redesigned for 2017, measures auto dealer satisfaction in four segments of lenders: non-captive, captive mass market, captive luxury market and floor planning.

The non-captive analysis evaluates the dealer/lender relationship across three factors: relationship, provider offerings and application/approval process.

In the captive mass market and luxury segments, four factors are evaluated: relationship, provider offerings, application/approval process and lease return.

Three factors are measured in the floor planning segment: relationship, portfolio management and provider credit line.

The 2017 U.S. Dealer Financing Satisfaction Study captured more than 11,622 finance provider evaluations across the four segments. The evaluations were provided by 4,245 new-vehicle dealerships in the United States.

Winners of the 2016 Toyota President's Award include **Classic Toyota** (Waukegan), **Continental Toyota** (Hodgkins), **Elgin Toyota** (Streamwood), and **Pauly Toyota** (Crystal Lake).

Kunes Country Ford of Antioch and **Sunrise Chevrolet** (Glendale Heights) have been named among the 2017 Best Dealerships to Work For. Their rank among the

Congratulations!

top 100 will be announced by Automotive News Oct. 12 at the Four Seasons Chicago.

Maria Liston, of **Howard Orloff Imports**, in Chicago, is part of the 2017 graduating class of the NADA Academy.

Upon announcing winners of the 2017 Subaru Stellar Care Award, **Evan-**

ston Subaru became a five-time recipient. Four-time recipients include **Gary Lang Subaru** (McHenry) and **Grand Subaru** (Bensenville).

Gerald Subaru of Naperville and **International Subaru of Merrillville** (Ind.) are three-time recipients, and **Brilliance Subaru** (Elgin) and **Gerald Subaru of North Aurora** won for the second time.