



2022 Illinois DOC fee maximum is \$324.24

The maximum amount that Illinois dealers can charge in 2022 for documentary preparation fees is \$324.24, the Illinois attorney general's office announced Dec. 10.

The \$20.64 increase over the 2021 maximum fee reflects a 6.8% rise in the federal Consumer Price Index for the 12-month period ending Nov. 30. The index is tracked by the U.S. Department of Labor. As always, the DOC fee is taxable and must be substantiated upon request by the attorney general's office.

The CATA is developing a poster about the DOC fee that dealer members can display. On the poster, the DOC fee amount is left blank for dealers to fill in; any amount up to the maximum allowed may be charged, but all customers should be charged the same amount. Systematically charging one group but not another — all males but no females, for instance — could bring charges of profiling.

Two copies of the poster will be mailed to dealers later this month. For limited additional copies, call the CATA at (630) 495-2282.

IMPORTANT: The new maximum fee cannot be charged before Jan. 1.

New warranty reimbursement nears

Dealership compensation for warranty repairs increases Jan. 1, when the calculation of reimbursement rates for most repairs will be at retail and not merely "reasonable" in a manufacturer's view.

Illinois Gov. J.B. Pritzker on July 30 signed legislation that changes how manufacturer pay is calculated on warranty work. Manufacturers failed to reverse the move during the General Assembly's fall session, although they did manage to trim payouts on engines and transmissions to 30% of what the franchisee paid.

All other compensation shall be no less than the amount charged to a retail customer for the same parts

and service. Dealers can calculate labor times by using agreed upon guides or by 1.5 times the manufacturer's time guide.

The coming changes were reviewed in a Dec. 7 webinar hosted by the Illinois Automobile Dealers Association and presented by law firm Bellavia Blatt's Keith Gitman, an attorney, and Ken Lohr, the firm's director of retail warranty reimbursement. Dynatron Software will host [a similar webinar Dec. 15](#) for CATA members.

In addition to establishing an equitable compensation scheme for warranty work, the new law prevents manufacturers from imposing cost

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Holiday to close CATA office

The office of the Chicago Automobile Trade Association will close Friday, Dec. 24 to mark the Christmas holiday
Ho, ho, ho!

Illinois police agencies trying to quell carjackings

Carjackings across the country this year are up by 43%. In Cook County, they are on track to be the worst in two decades.

An Illinois task force that includes the Chicago Police Department, the Cook County Sheriff's Office, the Illinois

State Police and federal agencies are working together to stop the surge by sharing carjacking-related data. The goal is to track trends across the county that will help law enforcement stop carjackers. The taskforce also will use helicopters to eliminate dan-

gerous car chases.

Most vehicles made after 2015 — which make up the majority of the area's hijacked vehicles — have the ability to be tracked. But police face challenges in working with vehicle manufac-

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Are automakers packing new cars with unwanted tech features?

The new, all-electric Mercedes-Benz EQS serves as a technological showcase, with 56 inches of video screens stretching across the instrument panel, a voice assistant capable of operating virtually all onboard functions, the ability to park remotely — and even an electronically controlled HEPA filter.

The question is whether potential customers either want or need all the technology built into the new battery-electric vehicle — or all the other high-tech products now coming to market. In many cases, the answer is “No,” according to a new study by J.D. Power.

“New-vehicle prices are at an all-time high, partly as a result of an increased level of content,” said Kristin Kolodge, executive director of human machine interface at J.D. Power. “This is fine if owners are getting value for their money, but some features seem like a waste to many owners.”

A sizable share of buyers don’t use all the technology built into their vehicles, according to Power’s 2021 Tech Experience Index. In many cases, owners don’t want all those fea-

tures, and others don’t even know what technology their vehicles contain.

What gets low marks and what is well liked

Gesture control systems rank rock bottom with owners, based on the latest study. It found the technology, which tracks hand movements to control features like audio volume, had an “extremely high” number of problems and the lowest overall score based on consumer responses.

At the other extreme, one-pedal driving ranked at the very top and experienced the fewest number of reported problems. The technology, offered in the newest electric vehicles, allows a motorist to rely on the accelerator alone to slow and even stop, rather than having to jump back and forth from throttle to brake.

Automakers are investing heavily in new technology. Most major brands now operate tech research and development facilities in or near Silicon Valley. Some of the features have been borrowed from smartphones, others from voice assistant technologies such as Amazon’s Alexa.

Warranty

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recovery fees or surcharges to overcome the legislation’s effect. For manufacturers, it preserves their right to approve or disapprove dealership claims, and it ensures manufacturers have a way to charge back any false or unsubstantiated claims they paid.

“The manufacturer looks for reasons to reject you. Perfection is the name of the game” in compensation filings, said Lohr. He added that using a third-party vendor to calculate parts and labor rates can help dealers maximize their reimbursement claims.

The new law requires that the booked time allowances for the diagnosis and performance of warranty work be no less than what is charged to retail customers for the same work, that manufacturers pay dealerships the same effective labor rate as the dealership receives for cus-

Warranty repairs profit potential is focus of Dec. 15 webinar

Dynatron Software, a CATA approved member partner, will host a webinar at 11 a.m. Dec. 15 to review the new revenue opportunities stemming from OEM warranty legislation effective Jan. 1. As you may be aware, House Bill 3940 was signed and takes effect Jan 1, 2022. This groundbreaking legislation requires IMMEDIATE ATTENTION to capitalize on significant short-term net profit impact.

To join the free webinar, go to <https://meetings.ring-central.com/j/8479133412>.

tomers-pay repairs, and that manufacturers reimburse dealerships for any parts (except engines and transmissions) provided in satisfaction of a warranty at the prevailing retail price charged by the dealership when sold to retail customers.

Mechanics Local 701, whose members include area technicians, worked with the CATA, the IADA and other groups to advance the legislation. Supporters say it will bring a fairness to the payment process that could attract new technicians to deal-

guidance. For accurate time calculations, Lohr said technicians should clock out of repair work, punch in separately for the time talking, and then punch back in to resume repair work.

In advance of Jan. 1, some manufacturers approached their franchisees about locking them in to uniform warranty reimbursement agreements that pay less than retail. Gitman said that state statutes trump any agreement, so even dealers who signed a uniform agreement can establish the labor time guides they will use.

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Review past editions dating to 1998 or search by subject at www.cata.info/publication/bulletins.

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Area dealers lend support to nonprofits in their communities

Local car dealers teamed up this holiday season with Chicago area charitable organizations to help fulfill the holiday dreams of less fortunate children. Area dealers from Fox Lake to Tinley Park understand the vital impact their businesses have on the communities they serve, which is why they have gone the extra mile for causes such as Toys for Tots and the Humanitarian Service Project.

“Chicagoland’s new-car dealers are the pillars of their communities and among the first to donate to local organizations in need,” said Chicago Automobile Trade Association Chairman Kevin Keefe. “This holiday season is no exception.”

Ray Chrysler-Dodge-Jeep-Ram in Fox Lake partnered again with Jeeps on the Run (JOTR), a local Jeep enthusiast club and Lake County’s largest donating group to the U.S. Marine Corps Reserve Toys for Tots program. More than 750 Jeeps gathered Dec. 5 for a 25-mile, fully escorted JOTR caravan that kicked off at the dealership and culminated at the historic Genesee Theatre in Waukegan, where Jeep owners offloaded their Toys for Tots donations to the U.S. Marine Corps.

“I started Jeeps on the Run nearly a decade ago as a family-oriented Jeep enthusiast club, but it has since evolved into a nonprofit organization that gives back to charitable organizations all year long,” said JOTR President Mike Missak. “Jeeps on the Run has become a tradition for local families and, for many, it’s the kickoff to the holiday season. We simply wouldn’t have the success we do if it wasn’t for our supporters like Ray Chrysler Dodge Jeep



Ram.”

The dealership also organized a raffle among participants to donate a 2021 Jeep Wrangler.

“We’re thrilled to be the primary sponsor for this wonderful cause for the second year in a row,” said Ray Scarpelli Jr., owner of Ray Chrysler-Dodge-Jeep-Ram and Ray Chevrolet, also in Fox Lake. “We experienced so much success last year and saw firsthand the joy it brought to families in need, so it was a no-brainer for us to be involved again this year.”

Friendly Ford in Roselle hosted an annual “Fill a Ford” Toy Drive in partnership with the Humanitarian Service Project in Carol Stream to ensure that every child in DuPage and Kane counties living in poverty will have gifts to open at Christmas.

Community members brought to the dealership new and unwrapped

toys for kids of all ages, for the dealership to “fill a Ford” with all of the toys and transport them to the Humanitarian Service Project for distribution to local families. Friendly Ford matched every toy with its own donation.

Apple Chevrolet in Tinley Park also collected new and unwrapped toys for children of all ages, in partnership with the U.S. Marine Corps Reserves Toys for Tots program.

Nearby residents helped the dealership reach its goal of filling eight Chevy Silverado pickup trucks with gifts to help bring holiday cheer to less fortunate children.

“We’ve partnered with Toys for Tots for eight consecutive years, as what better way to bring joy to those in need and give back during the holiday season,” said Apple Chevrolet Principal John Alfirevich. “We hosted holiday fun for local families with a DJ, balloon-making and even an appearance from the jolly guy himself, Santa.”

Because dealerships are closely weaved into the fabric of their local communities, many individuals and organizations turn to them in times of need. The CATA similarly has been a longtime supporter of local nonprofit organizations. The association has donated more than \$100,000 to local charitable organizations through its Chicagoland Dealers Care program, which helps expand on CATA members’ donations and shine a spotlight on new-car dealers’ positive impact within their communities.

For more information on the CATA’s Chicagoland Dealers Care program, visit ChicagolandDealersCare.com.

Tune in ...

... to “Drive Chicago,” the CATA’s automotive radio show, 8-9 a.m. Saturdays and 6-7 p.m. Sundays on WLS-AM 890.



CATA member-discounted auto show tickets on sale

Tickets and coupons that admit the holder to the 2022 Chicago Auto Show free or at a reduced price can be ordered by CATA members using the order form posted at www.CATA.info.

The passes promote goodwill with customers and even can help persuade a prospect to close a deal. Two kinds of passes are available, General Admission tickets and Weekday Discount coupons. The former, which costs CATA members \$7 each for a minimum 100 tickets, admits the holder to the auto show free, without a box-office wait. The coupon costs members \$100 for 100 and admits the holder for \$10 during the week.

Regular admission is \$15.



Regulation Z, M exemption thresholds to increase in 2022

The dollar thresholds in Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) that determine exempt consumer credit and lease transactions increases from \$58,300 to \$61,000 effective Jan. 1.

The thresholds are adjusted annually based on the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as of June 1 each year.

Auto loan amounts growing but delinquencies down, Experian says

Auto loan delinquencies are low — below pre-COVID levels, in fact — even though the size of the average auto loan has increased sharply in the past year, according to the latest [State of the Automotive Finance Market](#) report from Experian Automotive for 2021's third quarter.

“It’s a positive sign to see delinquencies remain so stable. Consumers are demonstrating their ability to manage these larger loans and higher monthly payments,” said Melinda Zabritski of Experian.

With delinquencies remaining flat despite bigger loan amounts, that also

makes it likely auto lenders will continue to offer easy access to financing, especially for applicants with good credit histories.

The ongoing shortage of new-vehicle inventory is driving higher average transaction prices, along with lower average incentives and the consumer shift away from

sedans and into bigger and more expensive CUVs, SUVs and pickups, Experian said.

The average new-vehicle loan amount financed was \$37,280 in the third quarter, a substantial increase of 8.5% versus a year ago. The average new-vehicle monthly auto loan payment reached \$609 in the third quarter.

Carjackings

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turers to trace the vehicles in a timely manner, sometimes having to navigate overly complicated processes.

One local victim, Dr. Stephanie Davis, was carjacked in broad daylight while she was stopped at a gas station. When Davis called her dealer, she was told the vehicle couldn’t be tracked, even though it had that capability. Later, she learned it was used in another carjacking.

The Cook County sheriff’s office developed a [Consent-to-Release-Data](#) form. Cook County Sheriff Tom Dart said that filling out and submitting the form will allow law enforcement to access data location information for the

described vehicle from the relevant manufacturer if the vehicle has been unlawfully taken and such information is available. Swift access to such information can help law enforcement recover the vehicle.

Earlier this year, Dart’s office added a new member to the agency’s anti-carjacking squad: former radio talk show host Roe Conn. “It should be no surprise that an individual like Roe Conn, who spent years interacting with people from many different backgrounds and areas of expertise, would be a valuable asset in our efforts,” Dart’s office said.

Conn, the sheriff’s office said, is working to “develop programs and processes that expand our agency’s crime

data collection and dissemination efforts to support our local, state, and federal partners.”

Dart said several factors contributed to the rise in carjackings this year.

“Over half of the carjackings are done by juveniles,” Dart said. “And during COVID-19, so many of the afterschool programs and schools were [closed]. There were less [activities] for kids to do. That was part of it, but there were other dynamics that were coming into play,” Dart said.

“[Before the pandemic] if you had an individual with a mask on coming anywhere near you, you knew there was trouble afoot. Now, everyone has a mask on.”