



ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

AADA NEWS AND UPDATE July 8, 2022



TIME DEALER OF THE YEAR NOMINEES REQUESTED BY JULY 29, 2022

AADA is excited to announce that we are accepting nominations for the 2023 TIME Dealer of the Year. Additionally, as is AADA tradition, the TIME Dealer of the Year nominee is also the Arkansas Dealer of the Year. Nominate an Arkansas dealer today for this award by returning the official nomination form found [HERE](#).

The TIME Dealer of the Year award in Partnership with Ally is the most prestigious in the retail vehicle industry and honors new car dealers for their business success and community involvement. In the tradition of great nominees, Bob Rogers with Bob Rogers Chevrolet in Paris was the 2022 Arkansas Dealer of the Year, and we look forward to this years nominee joining this list.

The deadline to return the nomination form to AADA is July 29, 2022. Please nominate a deserving dealer today!

For additional information contact Greg Kirkpatrick at (501) 372-2596 or greg@arkautodealers.com.



June 12-15, 2022
21c Museum Hotel
Bentonville

90 YEARS STRONG
1932-2022

2022 AADA CONVENTION A HUGE SUCCESS

AADA recently finished up its 2022 Convention in Bentonville, and the event was a massive success. We appreciate all the dealers that attended, and missed those that could not make

it. For 2023 we are planning an even bigger event and will make an announcement soon.

A very special thanks goes out to our speakers and generous sponsors that made this event possible. We will have more on the speakers and their presentations soon, but today let's take a minute to thank the sponsors and AADA encourages you to reach out to them.

PLATINUM LEVEL



GOLD LEVEL

FORV/S

SILVER LEVEL





FTC PROPOSES SWEEPING NEW RULE AFFECTING DEALERS

Recently the Federal Trade Commission (FTC) proposed a rule that would impose a wide range of unwarranted and ill-advised new duties and restrictions on motor vehicle dealers. The FTC's proposal relies on the agency's authority in section 5 of the FTC Act to issue rules that prohibit unfair or deceptive acts or practices (UDAP). However, the FTC fails to provide sufficient support to justify its sweeping set of proposed duties and restrictions.

NADA is mounting a comprehensive and detailed response to the proposal, which will defend the highly competitive and pro-consumer benefits of the optional, dealer-assisted financing model, and show that, in fact, the FTC's proposal is likely to harm consumers.

In addition to proposing sweeping new obligations, the proposed rule seeks comments to justify even more expansive regulations. The FTC has provided the public 60 days to respond to the proposed rule after it is published in the *Federal Register*. NADA will seek an extension of time to file and then submit an in-depth response to the FTC's proposal that will further educate the FTC on the array of consumer benefits provided by dealers, and explain how the many flaws in the FTC's proposed rule will threaten those benefits.

PROPOSED RULE SUMMARY

The duties and restrictions in the [proposed rule](#) generally include –

1. A prohibition against misrepresentations involving any of 16 different activities related to the advertising and sales process;
2. A requirement that dealers disclose:
 - a vehicle's "offering price" (the full cash price a dealer will sell or finance a motor vehicle to a consumer excluding only required government charges) in any advertisement or communication with a consumer that references a specific vehicle or any monetary amount or financing term for a vehicle;
 - an "Add-on List" on each website, online service, or mobile application (or, for other forms of communication, a website, online service, or mobile application where a consumer can view the Add-on List) that includes an itemized list of all of the dealer's optional "Add-on Products or Services" and the price of each item (or, if the price varies, a price range the typical consumer will pay for the item);
 - that the purchase of "Add-ons" is not mandatory;

- the total amount a consumer will pay to purchase or lease a vehicle when the dealer makes any representation about monthly payment amounts;
- the amount of any consideration provided by the consumer; and
- whenever comparing payment options and discussing a lower monthly payment, that a lower monthly payment will increase the total amount the customer will pay to purchase or lease a vehicle (if such statement is true);

3. A prohibition against charging for any “Add-on Product or Service” that would provide no benefit to the consumer (with certain types of products identified);

4. A requirement that dealers make certain disclosures and conform to other requirements, including obtaining a newly defined and redundant form of express and informed consent, regarding such optional “Add-ons”; and

5. A requirement that dealers retain for 24 months an extensive set of records that include, among many other items, all advertisements, sales scripts, training materials, and marketing materials regarding the price, financing, or lease of a motor vehicle; all “Add-on” lists and all documents describing such products and services; calculations of loan-to-value ratios in contracts including GAP Agreements; and copies of all written consumer complaints related to a wide variety of topics.

ADDITIONAL AND HELPFUL LINKS

If you have any questions about this bulletin please don't hesitate to call, (501) 372-2596, or email Greg Kirkpatrick greg@arkautodealers.com.