

KADA Resources to Order PPE

Please go to the link below and scroll to the section for KADA Health and Safety Products. We have provided you with a list of companies where you can order the PPE you will need to reopen for business.

<https://www.kyada.com/covid-19-dealer-resources.html>

Dealer Alert – Changes To Law Contract **Truth In Lending Act Changes – Effective July 1, 2020**

Please note that if you currently use the Dealer LAW contract, there has been a revision made to the **LAW**®553-KY(4P)5/15 contract as well as the **LAW**®553-KY-ARB5/15. The new form numbers are **LAW**®553-KY(4P)7/20 and **LAW**®553-KY-ARB7/20.

The CFPB revised the prepayment penalty disclosure requirements under the Truth in Lending Act to require a creditor to disclose whether a charge will be imposed for full or partial prepayment. We deleted “off all your debt” from the prepayment penalty provision in the TILA box.

Additionally, as a result of user requests and in an effort to continually update and increase acceptance of our LAW 553 contracts, we made the following changes to our 553 contract in Kentucky:

- Removed Dealer Number and Contract Number fields from the top of the contract
- Modified spacing in various areas to allow for easier programming of data
- Added language to the physical damage insurance section
- Added “(e) means an estimate” at the top of the Payment Schedule section
- Modified the Payment Schedule by adding blanks instead of “Monthly Beginning” and deleted “Or As Follows”
- Itemization of Amount Financed Changes:
 - Increased the length of the total lines
 - Added the word “to” and a blank line on Less Pay Off Made By Seller under Total Down payment
 - Added 2 more “Other” lines in the Total Down payment section
 - Added an extra blank line to 4G
 - Added 3 additional lines under 4I
- Added more damage examples in the VSI Insurance section
- Added lines for printed Buyer and Co-Buyer names below signature lines
- Added name and title lines for Business Use transactions below the Buyer and Co-Buyer signature lines
- Changed the format of the Assignment Box to make it easier to complete

- We made additions, deletions and revisions of language in the following sections of the back of the contract:
 - 1.b. – added “as the law allows” to the end of the section
 - 2.d. – added new 3rd sentence to section and changed “of” to “for”
 - 3.b. – changed “on a” to “during” regarding the credit application
 - 3.d – added “(such as GPS)” and deleted “at your expense”
 - 7. – changed from “our address on the front of the contract” to “Kentucky”
 - Removed the American Arbitration Association address from the Arbitration Provision

New programming will be required for the new revision. The standard and ARB versions will NOT line up the same as each other for programming purposes.

Fed Adopts NADA-Recommended Change to Main Street Lending Program

The Federal Reserve Board (FRB) [announced](#) today several favorable changes to its Main Street Lending Program (MSLP), which was developed under the CARES Act to help provide small- and medium-size businesses additional liquidity to respond to the pandemic. The program as initially announced precluded Main Street Loan recipients from paying dividends or other capital distributions for *any* purpose for up to 12 months after the loan is outstanding. In [comments to the FRB](#) NADA explained that this broad restriction would unnecessarily preclude pass-through entities from paying dividends to satisfy shareholder tax obligations. In response, the FRB changed this limitation to provide that “an S corporation or other tax pass-through entity that is an Eligible Borrower may make distributions to the extent reasonably required to cover its owners’ tax obligations in respect of the entity’s earnings.” This essential change removes an element of the MSLP that would have precluded dealers from considering it as a viable means to enhance their liquidity.

Dealers who receive a loan through the Paycheck Protection Program are eligible for an MSLP loan if they otherwise qualify. Dealers are encouraged to review the FRB’s [revised term sheets](#) for its various MSLP lending facilities as well as the [frequently asked questions](#) it issued today to explain the program in greater detail. Mike Alford, Chairman, Regulatory Affairs Committee

The Best Ideas from NADA 20 Groups, Part 3: In Times of COVID-19 Pandemic

Presented by:

Tom Carney | 20 Group Dealership Management Consultant | NADA

Friday, May 1 | 1pm-2pm ET

Each week NADA 20 Group Consultants are continuing to support their dealers by sharing policies, processes, personnel and financial best practices via group conference calls. Join NADA

20 Group Dealership Management Consultant, Tom Carney, as he reviews some of the new best ideas from the NADA 20 Groups during these unprecedented times. [REGISTER.](#)