

Dealer Advisory

June 5, 2020



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Pres. Trump Expected to Sign Paycheck Protection Flexibility Act

The U.S. Senate unanimously passed the House version of Paycheck Protection Program legislation Wednesday night. The Senate approval sends the House bill, called the Paycheck Protection Flexibility Act, to President Trump, who is expected to sign it.

NADA has provided a list of the changes and how this act will benefit dealers:

- Reduce from 75% to 60% the percentage of forgivable expenses that must be allocated to payroll costs;
- Extend the covered period for forgiveness calculations from eight weeks to 24 weeks from the origination date of the loan;
- Expand the timeframe for making the determination for rehiring from June 30 to December 31, 2020;
- Provide partial forgiveness reduction relief in the event a borrower can document that it is unable, on or before December 31, 2020, to either 1) rehire or replace individuals who left its employ during the pandemic or 2) return to its pre-COVID level of business activity; and
- Repeal the provision of the CARES Act that barred PPP forgiveness recipients from deferring employer payroll taxes.

Once passed, we anticipate the SBA will update its frequently asked questions document on PPP loans. We will continue to follow the updates and inform dealers when more information is available.

More articles on this topic...

- UHY LLP ~ [Congress Passes PPP Flexibility Act](#)
- Plante Moran ~ [Senate passes the Paycheck Protection Plan Flexibility Act](#)
- Fisher Phillips ~ [Paycheck Protection Program Flexibility Act Provides Employers With More Options](#)
- Fenner, Melstrom & Dooling, PLC ~ [H.R. 7010 Passes U.S. Senate Without Revision](#)

Items to Consider as You Are Getting Back to Business

As you are getting back to full dealership operations in this unique environment, take some time to evaluate the new changes in place at your dealership. Revise if needed, and make sure your staff understand your plan to promote a safe and healthy working environment. Part of your new operational plan will consider ways to:

- Implement a method to manage customer flow.
- Avoid clusters or gatherings of customers and/or employees.
- Designate a door for customers to enter and exit which is different from the employee entrance.
- Greet customers at entry and direct them to the proper location for interaction.
- Maintain clean facilities and a safe environment to transact business.
- Manage continual cleaning of high-touch areas such as restrooms.
- Section off the service waiting area from the sales floor to avoid customers roaming while waiting for their vehicle to be serviced.
- Maintain at least 6 feet between chairs in waiting areas.
- If a food/drink station is available, offer items in individually sealed packages, such as

- bottled water or individually wrapped snacks. (Drinking fountains should be closed off.)
- Ensure all employees who work with customers or those who cannot keep 6 feet away from others wear a face covering.

Please see this [checklist](#) from Abbott Nicholson for more detailed information. If you have questions on your requirements, please remember to carefully review [Executive Order 2020-97](#). You may also call your association if you need further guidance.

More News and Updates

More Regions, Economic Sectors to Reopen

Governor Whitmer today signed Executive Orders [2020-114](#) and [2020-115](#) to reopen more regions and economic sectors under the MI Safe Start Plan.

Starting on **June 10, Regions 6 and 8** - which include much of northern Michigan and all of the Upper Peninsula - **will advance to Phase 5** of the governor's MI Safe Start Plan. Phase 5 allows the reopening of salons, movie theaters, and gyms, subject to safety protocols and procedures designed to minimize the spread of COVID-19.

Under Phase 5, indoor social gatherings and organized events of up to 50 people are permissible. Outdoor social gatherings and organized events are also allowed if people maintain six feet of distance from one another and the gathering consists of no more than 250 people. In addition, outdoor performance and sporting venues will be open with a larger capacity limit of 500, which will allow for some outdoor graduation ceremonies.

On **June 15**, personal services including hair, massages, and nails will reopen statewide. Though the remaining **regions, 1 through 5 and 7, will remain in Phase 4** under today's executive orders, the governor has said she expects the entire state will advance to Phase 5 in the coming weeks.

[Read more in the press release](#)

Auto Insurance Refunds Due to COVID-19

June 2 -- Gov. Gretchen Whitmer and the Michigan Department of Insurance and Financial Services (DIFS) have announced that DIFS Director Anita Fox has ordered all auto insurers in Michigan to issue refunds or premium waivers to consumers as a result of insurance companies' reduced risk due to extreme reductions in driving during the COVID-19 pandemic.

[DIFS Order No. 2020-10-M](#) sets a deadline of June 10, 2020 for insurers to submit filings that include the refund or premium waiver amount, information on how that amount was determined, and how consumers will receive payments. It also requires communication plans to inform customers about the refund and the options available to those with long term changes in driving habits, for example those who have been laid off or are telecommuting.

[Read more in the press release](#)

News from NADA: Fed to Launch Main Street Lending Program

June 1 -- The Federal Reserve created the Main Street Lending Program (MSLP) to provide \$600 billion in financing for small and medium-sized businesses. The Federal Reserve Bank of Boston [released several documents for the MSLP](#), along with revised FAQs. These revised FAQs provide more answers about the MSLP design, borrower eligibility and regulatory requirements. The program is expected to launch in the coming days.

[NADA's updated MSLP FAQs](#) reflect these recent developments.

Using funds appropriated under the CARES Act, Treasury will make a \$75 billion equity investment to implement the program.

- This investment will enable up to \$600 billion in new financing for businesses with up to 15,000 employees or \$5 billion in 2019 annual revenues.
- This Main Street initiative aims to help 40,000+ medium-sized businesses and complements the relief efforts already in place—the Paycheck Protection Program, Employee Retention Credits and Economic Impact Payments—while protecting taxpayer funds.

Legal Alerts from Fisher Phillips

June 2 -- Michigan Lifts Shelter-in-Place Order But Workplace Safety Requirements Remain

Michigan Governor Gretchen Whitmer just lifted the state’s shelter-in-place order, permitting certain businesses to reopen under a specified timetable and operate subject to specific workplace safety requirements. Meanwhile, a variety of businesses must remain closed for the time being.

June 3 -- Thermal Imaging Systems In The Workplace: Panacea Or Problem?

Employers are looking for better ways to monitor whether individuals entering their workplaces have been exposed to or are infected with COVID-19 – and the use of more sophisticated thermal scanning cameras or similar systems that can process many people quickly has emerged as a possible solution.

June 4 -- Q&A: Managing the “New Normal” in Labor Relations During the COVID-19 Pandemic

From collective bargaining and management rights, through return to work and protected concerted activity, managing labor relations has always required a deep understanding of the law. In the Q&A, Letitia and Kerry explore these unique challenges and the complicated aspects of the changing relationship between management and employees amid the current pandemic.

Affects of COVID-19 on State & Local Government

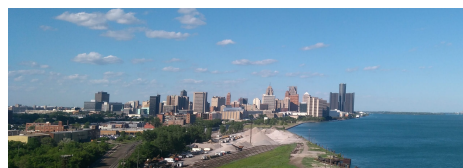
from Citizens Research Council



COVID-19 Will Lower State Revenue Sharing Dollars to...

June 5 -- Constitutional revenue sharing payment estimates depend on projections of sales tax collections for a given state fiscal year. Current estimates reflect a decrease of 11 percent in sales tax revenue for the state’s current fiscal year...

[Read more](https://www.crcmich.org)
crcmich.org



COVID-Recession is Affecting Michigan Local Governments...

May 28 -- Like the virus that causes it, COVID-19 doesn't respect borders or boundaries. It has spread around the world and infiltrated down to the lowest levels of government. The recession caused by this pandemic is dealing a heavy blow to...

[Read more](https://www.crcmich.org)
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Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

This advisory has been prepared in conjunction with

Michigan Automobile Dealers Association

1500 Kendale Boulevard, P.O. Box 2525

East Lansing, MI 48826-2525

www.michiganada.org

Phone (517) 351-7800

Fax (517) 351-3120

Detroit Auto Dealers Association

1900 West Big Beaver

Troy, MI 48084-3537

www.dada.org

Phone (248) 643-0250

Fax (248) 643-8788