

Dealer Advisory

May 4, 2020



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A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. [Click here.](#)

Executive Order 2020-70 is the New "Stay Home, Stay Safe" Order

On Friday, Governor Whitmer announced [Executive Order 2020-70](#), which is the new order to temporarily suspend activities that are not necessary to sustain or protect life. This replaces EO 2020-59, but maintains the May 15 expiration date for the stay home order. This new order mainly allows construction and real estate work to begin reopening, with restrictions. This order does not change anything about the way dealerships are currently allowed to operate.

More information on EO 2020-70:

- Governor's press release: [Executive Order to Re-Open Construction & Real Estate Safely](#)
- Fisher Phillips legal alert: [Michigan Modifies Third Shelter-In-Place Order To Further Open The Economy](#)

News from NADA

Fed Adopts NADA-Recommended Change to Main Street Lending Program



May 1 -- The Federal Reserve Board (FRB) [announced](#) favorable changes to its Main Street Lending Program (MSLP). These changes now provide small- and medium-sized businesses additional liquidity to respond to the pandemic. After [NADA comments](#) to the FRB, it adopted NADA's recommended changes.

The Main Street Lending Program has now been expanded and will benefit many more dealerships. NADA encourages dealers to review the FRB's [revised term sheets](#) for its various MSLP lending facilities as well as its [FAQs](#) that explain the program in greater detail.

See NADA's updated [one-pager on the Main Street Lending Program](#).

Read more on this topic:

- Plante Moran: [Details on scope and eligibility for the Main Street Lending Program](#)
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IRS: Expenses Covered Under PPP Loans are Not Tax-Deductible

May 1 -- The IRS released guidance stating that expenses forgiven as part of a PPP loan **are not tax deductible**. This works to prevent a "double tax benefit." The IRS cited section 256 of the tax code, which states that deductions can't be taken if they are tied to a certain class of tax-exempt income.

Read more on this topic...

- UHY: [Clarification on Deductibility of PPP Loan Expenses](#)
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Upcoming Webinars from NADA

Digital Marketing Framework for Navigating Uncertain Times

May 5, 2020 | 1pm-2pm ET ([register](#))

There are uncertain times ahead for the automotive industry and having a clear digital marketing framework to successfully navigate through uncertainty will be crucial to each dealership's success.

Using Conversational AI Tactics to Boost Sales

May 6, 2020 | 1pm-2pm ET ([register](#))

Now more than ever, automobile buyers are using the internet to research and buy their dream vehicle creating huge opportunities for car dealerships to interact with prospective buyers. However, generic marketing fails to elicit responses and actions from prospects. Conversational AI provides a novel solution to capitalizing on these huge opportunities in the market.

Accelerating Automotive Trends that Google is seeing in Times of COVID-19

May 8, 2020 | 1pm-2pm ET ([register](#))

The automotive industry was already contending with an unprecedented disruption before COVID-19, so understanding how to adapt during difficult times is not a new challenge. What's different this time is that the current crisis is accelerating trends that were already underway in the automotive space but had not yet been widely adopted. These trends are not only in an accelerated state, but will become the 'new normal' when operations open back up.

Updated Guidance & Information

New Information Added to PPP Frequently Asked Questions

The Small Business Administration (SBA), in consultation with the Department of the Treasury, have again updated the [Frequently Asked Questions](#) document related to the Paycheck Protection Program Loans. On May 3, the following question was added:

#40) Will a borrower's PPP loan forgiveness amount (pursuant to section 1106 of the CARES Act and SBA's implementing rules and guidance) be reduced if the borrower laid off an employee, offered to rehire the same employee, but the employee declined the offer?

New Legal Alert from Fisher Phillips

May 2 -- [Fisher Phillips: Develop A Proactive COVID-19 Workplace Safety Plan Or Risk Employees Seeking Court Intervention](#)

A group of employees concerned about their workplace safety amidst the COVID-19 pandemic just filed a legal action against their employer seeking a court order that would require the company to comply with federal safety guidelines. If you operate an essential business or are already starting to contemplate reopening your doors and ramping up activity, you will want to pay particular attention to this lawsuit and the standards for being subject to a potential injunction. Being proactive and developing a thorough workplace safety plan now will help you avoid legal troubles down the road.

May 4 -- [6 Factors Employers Must Consider When Taking Employees' Temperatures](#)

Employers may be required to take the temperatures of employees when businesses begin to reopen in the coming days and weeks following the expiration of many states' stay-at-home orders. Screening for fevers is a task never previously undertaken by many companies. Given that many states will require or highly recommend this practice, now is the time for to consider what precautions and procedures to undertake to implement this safety measure.

Preparing to Reopen: Suspected or Confirmed Case of COVID-19

Dealers have been asking about the possibility of suspected or confirmed cases of COVID-19 in the workplace, and what to do if this happens. As you are making plans to reopen your showroom, when the governor allows, you may find the following resources helpful.

NADA: [An Employee Has COVID-19 Symptoms or Tests Positive...Here's What to Do](#)

Fisher Phillips Workplace Safety

- [Post-Pandemic Back-To-Business FAQs For Employers](#) (regularly updated)
- [4-Step Plan For Handling Confirmed COVID-19 Cases When Your Business Reopens](#)
- [Model Announcement to Employees about Positive Test](#)

CDC: [Suspected or Confirmed Cases of COVID-19 in the Workplace](#)

State of Michigan: [Q&A: About COVID-19, Symptoms & Testing](#)

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
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