

DESJARDINS SETS RECORDS IN ONTARIO!

Over the past year, the response from UCDA members to the Desjardins "Ready-to-Drive Loan" product has been nothing short of fantastic!

Desjardins Senior Director of Automobile Financing, Joe Carusella reports that, "Since the Ready-to-Drive Loan was introduced into the Ontario market three years ago, UCDA member support has grown annually, up 97% in volume in 2014 from 2013!"

"With over 700 members using the program in 2014 and anticipated growth in active dealers in 2015, we look forward to another great growth year from members. We appreciate our partnership with the UCDA and look forward to our continued relationship with the membership."

Desjardins' Auto Finance Program Offers:

- Competitive rates and reserves, industry-leading payment turnaround.
- Every loan includes complimentary life insurance for the buyer and co-buyer.
- For every auto loan, there is one year of complimentary roadside assistance.
- Loans are accepted for as low as \$5,000 and vehicles up to 10 models years old.
- Consumers can choose a fixed or variable loan and can convert a variable loan to fixed at any time during the contract at current rates, with no fee to do so.

- Desjardins will also finance RV, power sports and marine products that you may stock or take in on trade.

Credit Card and Debit Processing

The Desjardins Credit Card and Debit Processing Program has been a significant cost reducing service to a record number of UCDA Members.

In 2014 Desjardins saved members hundreds of thousands of dollars off their credit card processing charges. Some single medium sized dealers saved as much as \$3,000 to \$4,000 a year and one dealer group saved more than \$30,000!

And there's more....

Under pressure from the federal government, Visa and Mastercard recently announced that they would be reducing interchange fees they charge to the leading credit card processors. Desjardins will be passing these savings on to you, the retailer, making the UCDA program even more attractive. The new rates take effect May 1st. Stay tuned!

If you're not already with Desjardins for your credit and debit processing service, ask your current provider if they are passing on the reduction to you.

For more information on the Ready-to-Drive Loan product call Tom Reid at 905-686-6354 and for credit and debit processing call Anthony Verardi at 1-877-864-4096.

Are Your On-Line Ads Taking Business From You?

Seems like a silly question. How could you lose business by advertising?

Well, believe it or not, it's happening to members every day.

You may notice on some on-line web advertising sites, consumers have the option of clicking on a link that says something like "Get a loan quote". Clicking on it will often take the customer away from your ad page to a third party finance site, where the customer is asked to complete information for a credit check.

The completed application often does not go back to the dealer whose car the customer was viewing. It goes to a lender who may also have a dealer licence or who has relationships with other dealers. The customer has effectively been "stolen" from the first dealer.

Check with any sites that you're listing vehicles on to ensure this isn't happening to you. If it is, ask the site to either ensure that all customer enquiries for financing are directed to your website ... not a third party's, or alternatively, that they remove the "loan" or "financing link" from your page completely. If they won't do either, you may want to consider cancelling your ads on their site.

Carpages.ca, the preferred site of the UCDA, lets dealers who offer financing have a "Get Financing" link on each vehicle listing page. Consumers who click on the link are asked to complete information for a credit check. When they submit the information, it goes directly to the dealer ... never to a third party looking to snatch your customer from you.

Contact Carpages for more information at 1-866-567-2437 (1-866-56-PAGES).

Wes Killins – Adelaide Collision

Sadly, Wes Killins, owner of Adelaide Collision in London, passed away on January 31st. Wes was a long-time member and supporter of the UCDA and will be missed by his family and many friends.

Wes and his wife Joan owned and operated Adelaide Collision for 38 years.

The UCDA offers condolences to the Killins family.

Buying Vehicles Privately

Many dealers have never bought a car from a private seller, so when the opportunity to do so comes up, some common questions often arise:

1. When buying a car from a private (non-dealer) owner, do we have to pay tax to the seller?

The answer is no, unless the seller is an HST Registrant like you, i.e. a business. Ordinary consumers do not collect tax and would have no way to remit the tax even if they did!

2. What bill of sale do we use, wholesale or retail?

Use a wholesale bill of sale when buying such a vehicle. Also, make sure your customer completes a disclosure statement to cover the approximately 22 disclosures consumers are required to answer about their car.

The UCDA can supply disclosure forms to you.

3. Can a dealer, buying a car from a private seller, recover the HST "trapped" in the price paid to the seller?

No, dealers have not been able to do that since 1996 when the NOTIONAL input tax credit, was taken away. Why are we mentioning this? Because lately we have been hearing reports that some dealers are trying to claim the notional tax credit, perhaps not realizing that it no longer exists.

Here is what we wrote on this subject in Front Line way back in December of 2003 (before we had the HST).

A Fairer GST?

Since businesses had the Notional Input Tax Credit taken away from them in 1996, our industry has been at a severe financial disadvantage. While not a perfect solution to the industry's GST problem, the NITC at least compensated for the GST that was buried in every consumer's trade-in or sale to a dealer.

Why Was It Removed?

Some would say because the Federal Government found it easier to punish all used goods businesses rather than properly deal with what they considered GST fraud by some. Supposedly, some people in the construction industry, lumber industry, automotive industry and others were selling goods to Status Indians in ways that took "unfair" advantage of the NITC.

Rather than deal with what they perceived as wrongdoing, they eliminated the very part of the GST system that was designed to produce a measure of fairness to industries like ours. The Used Vehicle Industry has been at a financial disadvantage ever since.

Think OMVIC Fines Are High? ... Think Again!

We write regularly in Front Line about dealers who have been hit with fines and penalties in the thousands ... sometimes tens of thousands ... of dollars at OMVIC's Discipline Panel. These typically involve dealers who have failed to make proper disclosure of important facts about the history of a vehicle. Things like accident repairs, or former daily rentals that haven't been owned by a consumer.

Sometimes, these mistakes are the result of sloppiness, rather than an intent to deceive, but OMVIC won't accept that as an excuse ... not after five years of offering information and warnings to dealers about the importance of proper paperwork and compliance with the MVDA.

From time to time, we get complaints from members about the harshness of OMVIC's enforcement ... and sometimes these concerns are justified. There are times where it seems the punishment does not fit the crime.

Having said that, dealers that are hit with large penalties at the Discipline Panel, can take some comfort in knowing that they are not subject to U.S. Federal Trade Commission (FTC) enforcement and fines. OMVIC penalties pale in comparison!

Some recent reported examples include a \$360,000 fine against a dealer group in the U.S. for repeated violations of previous orders against deceptive advertising claims.

Another dealer group in Virginia faces a minimum \$16,000 penalty **per violation** of an earlier settlement it had reached with the FTC three years ago.

A dealer from Texas settled several FTC complaints for misleading advertising, including giving the false impression that consumers could get out of their financing on their current vehicle for \$1. It made it appear that whatever the customer owed on their current loan or lease would be paid by the dealer. Of course the negative equity would be added to the new loan. This dealer will be subject to the terms of the FTC's settlement order for twenty ... yes 20 ... years!

These are examples of U.S. federal government penalties. American dealers are also subject to numerous regulations and stiff penalties for things like failing to complete proper paperwork at the state level as well.

So next time you hear about a dealer being fined by OMVIC or an OMVIC inspector mentions a few "deficiencies" after an inspection, think about what dealers are facing south of the border!

Indian Status Cards

A "Certificate of Indian Status" card, issued by the Federal Government, Department of Indian and Northern Affairs (now known as Aboriginal Affairs and Northern Development Canada), is the **only** form of identification acceptable to exempt a Status Indian from taxes on a vehicle sale or lease.

The holder of this card will pay only 5% on the purchase of a motor vehicle from a dealer if delivered at the dealership and will pay no tax, if the vehicle is delivered by the dealer to an Indian Reserve. This applies regardless of where the Status Indian lives.

This is what the cards look like, there are 4 kinds:

Laminated Certificate of Indian Status



Certificate of Indian Status "All-in-One"



Certificate of Indian Status "Pilot Project"



Secure Certificate of Indian Status



For detailed rules, please visit <http://www.ucda.org/DealerInfo/StatusIndianFAQ.aspx>, or give our Legal Department a call.

Métis and other Aboriginal ID, membership or association cards not issued by the Government of Canada do not exempt the holder from paying HST.

Robert G. Beattie Memorial Scholarships

Bob Beattie, one of the original founders of the UCDA, tirelessly served as our Executive Director until his untimely passing in October, 2012. During the UCDA's 30th Anniversary Celebration at the Used Vehicle Dealer Summit last November, we announced a scholarship to recognize and memorialize Bob's contribution to the association and to the entire industry.

Starting with the 2015-2016 school year, scholarships honouring Bob's memory will be awarded each year to two students who are entering their second year at the Automotive Business School of Canada at Georgian College. One scholarship will go to a student enrolled in the Diploma program and one to a student in the Degree program.

The successful applicants will have demonstrated academic achievement (have an average of 80% or higher), be committed to their studies, have a deep passion for the automotive industry and show that they would greatly benefit from the financial assistance.

Funds raised at the inaugural Ruth Hart-Stephens and Bob Beattie Memorial Golf Tournament, co-hosted by the UCDA and Manheim Toronto, will be earmarked for the scholarship. The tournament will be held at Lion Head Golf Club on Friday, May 29th.

For more information or to register for the Tournament, contact Valerie MacLean at the UCDA, v.maclean@ucda.org or Jessica Gall at Manheim Toronto, jessica.gall@manheim.com.

Don't wait, spots will fill up fast!

When Is A "Salvage" Car Not A Salvage Car?

A member called to tell us that according to a vehicle information report, a vehicle they had taken in on trade was branded salvage in Newfoundland.

The customer acknowledged that the car had been in a minor accident in Nova Scotia, but denied that it had been written-off and branded. The current Ontario registration showed the brand as NONE.

When we saw the report the mystery was solved. Turns out the vehicle wasn't branded salvage at all. It had previously been registered in a small village (population about 200) in north-eastern Newfoundland.

The name of the village ... "Salvage"!

No Charge Dealer Guarantees

A dealer called us recently to ask if it was OK for him to give his customers, at no extra charge, his own guarantee, on engine and transmission, when he sold a car. His guarantee was for a year and would cover any problem related to those components in that period. Another dealer told him he could not do this.

So, is it legal?

Of course!

The other dealer who suggested that this dealer was doing something wrong may have been thinking of dealers who **sell** warranty products, either as a stand-alone product or as part of the sale.

In-house warranty **sales** by dealers are "legal", but are subject to requirements in the *Motor Vehicle Dealers Act, 2002*, such as the one that requires the dealer to post with OMVIC an irrevocable letter of credit for \$100,000, if their warranty is not insured.

Dealers offering extended warranties through third party companies must ensure that the company either:

1. Has an irrevocable letter of credit payable to OMVIC for \$500,000; or
2. That their warranty products are underwritten by an insurance company licenced to offer this type of insurance in Ontario.

You can check this with OMVIC by phone or on line at: <https://www.omvic.on.ca/portal/Consumers/ConsumerProtection/ExtendedWarranty.aspx>

Upcoming Certification Courses

Here's a list of upcoming MVDA certification classes taught by Member Services Director Bob Pierce. Unless otherwise noted, these classes are offered at Wye Management's training facility, **55 Wings Road, Unit 5 in Woodbridge**.

| | |
|-----------------------------|---------------------|
| Tuesday, April 21 | Tuesday, June 2nd |
| Wednesday, April 29th | Thursday, June 25th |
| - Georgian College, Barrie | Monday, June 29th |
| Tuesday, May 5th | Monday, July 6th |
| - Ottawa (Venue ... T.B.A.) | Tuesday, July 7th |
| Wednesday, May 20th | Tuesday, July 21st |

Wye Management also offers separate basic sales training courses. Here are some upcoming dates:

| | |
|---------------------|------------------------|
| Thursday, April 2nd | Friday, July 10th |
| Monday, May 4th | Tuesday, August 4th |
| Friday, June 5th | Tuesday, September 8th |

Courses fill up quickly. Contact Valerie MacLean at v.maclean@ucda.org for more information or to register.



Manheim

Toronto 

&



Proudly Present

Ruth Hart-Stephens & Bob Beattie Memorial Golf Tournament



Sponsorship Form

Friday, May 29th 2015

Master's Course - Best Ball

Legend's Course - Play your own Ball

Registration 8:00am | Shotgun start at 8:45am

Registration fee is \$170 per person or \$680 per foursome (+HST)

Title Sponsor



Desjardins
Business

\$10,000

SOLD!

Power Cart Sponsor



\$7,500

SOLD!

Post Golf Reception



\$3,000

SOLD!

BBQ Sponsor



\$3,000

SOLD!

Breakfast Sponsor



\$2,000

SOLD!

Single Hole Sponsor

• Hole Sponsor Sign

\$750

Challenge Hole

- Men's Longest Drive
- Ladies' Longest Drive
- Men's Closest to Pin
- Ladies' Closest to Pin
- Hole-in-One

***2 opportunities available for each**

\$750 PLUS PRIZE

If you are interested in a sponsorship opportunity please indicate this on your registration form.



Manheim

Toronto 



Proudly Present

Ruth Hart-Stephens & Bob Beattie Memorial Golf Tournament



Registration Form

Friday, May 29th 2015

Registration 8:00am | Shotgun start at 8:45am

Lionhead - 8525 Mississauga Rd. Brampton, ON L6Y 0C1

Registration fee is \$170 per person or \$680 per foursome (+HST)

Contact Name: _____ Phone Number: _____

MEMBERS OF GROUP: Per Player \$170 each (+H.S.T.) • Foursome Group \$680 (+H.S.T.)

| | | |
|---|-------------------|--------|
| 1 | NAME: COMPANY: | EMAIL: |
| 2 | NAME: COMPANY: | EMAIL: |
| 3 | NAME: COMPANY: | EMAIL: |
| 4 | NAME: COMPANY: | EMAIL: |

COURSE CHOICE

- Master's Course - Best Ball
 - Legend's Course - Play your own Ball
- *Please Note*
Course placement is decided based on registration date.

PAYMENT INCLUDED

_____ Golfers x \$170 = _____

_____ Reception Only x \$60 = _____

Sponsorship: Title Breakfast
 Cart BBQ Single Hole
 Reception Challenge Hole _____

Total x 1.13 (HST): _____

Payment must accompany completed form and be received no later than May 8, 2015 to ensure registration.

| | | | |
|------------------------|---|---------------|------------|
| CREDIT CARD PAYMENT | Type of Card (Please Check): <input type="checkbox"/> VISA <input type="checkbox"/> M/C | Name on Card: | |
| | Card Number: | Expiry: | \$ Amount: |

Please fax or email your complete registration form to Valerie MacLean at 416-232-0775 or v.maclean@ucda.org. Payment due upon registration.

Please mail your payment Cheque payable to: **UCDA**
Attn: Valerie MacLean
UCDA
230 Norseman St. Toronto, ON M8Z 2R4