



News FROM IIADA

October 2020

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IIADA ADMINISTRATIVE OFFICE

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Auction News

Dealer's Choice AA

www.dcaa.com

Plaza Auto Auction

www.plazaaa.com

Tri-State AA – Cuba City

www.tsaaonline.com

Manheim Omaha AA

www.manheim.com

Adesa Des Moines

www.adesa.com

Manheim-Minneapolis-MAA

www.manheim.com

Manheim Northstar

www.manheim.com

Des Moines Auto Auction

www.dsmaa.com

SUPPORT FOR THE MIDWEST
AUTO AUCTIONS IS GREATLY
APPRECIATED.

IIADA Scholarship Fundraiser

With the COVID 19 Pandemic, we have not been able to host the IIADA Annual Meeting and Scholarship Auction.

We are asking for you to donate:

Cash



gift Cards



or items



to the IIADA Scholarship fundraiser to be raffled off.

Information will provided for Cash, Gift Cards and items to be raffled.

Ticket prices (1) \$10.00 or (6) \$50.00

Contact Todd @ 319-643-5403 or email iiada2@netins.net to make donations and purchase your tickets.



Auction News

Adesa – Sioux Falls

www.adesa.com.

Manheim Kansas City

www.manheim.com

Greater Rockford AA

www.graa.net

Quad City Auto Auction

www.qcaa.com

Lincoln Auto Auction

www.lincolnautoauction.com

IIADA EVENTS:

2020 Annual Meeting

TBA - 2020

NIADA EVENTS:

June 15-18, 2020

NIADA Convention

Las Vegas – MGM Grand

KEEP US INFORMED

DON'T FORGET TO LET

IIADA KNOW IF YOUR

E-MAIL, ADDRESS OR

PHONE NUMBER CHANGES

DEALER EDUCATION CLASSES FOR November 2020

With the state opening up to 50% capacity the Community Colleges that provide venues for the 5 hour dealer education classes have gotten creative. Several colleges will offer virtual classes while others will offer traditional classes with a limited number of seats available. Where possible, select Community Colleges will offer a combination of live and virtual.

Check with your Community College for local options.

November 5, 2020 - Thursday Northeast Iowa Community College

Dubuque 102 12:00PM - 5:00PM

November 6, 2020 - Friday Northeast Iowa Community College

Dubuque 101 8:00AM - 1:00PM

November 6, 2020 - Friday Northwest Iowa Community College

Sheldon 101 11:00AM - 4:00PM

November 11, 2020 - Wednesday Iowa Valley Community College

ZOOM 101 12:00PM - 5:00PM

November 12, 2020 - Thursday Hawkeye Community College

Cedar Falls 102 12:00PM - 5:00PM

November 12, 2020 - Thursday Iowa Central Community College

ZOOM 101 12:00PM - 5:00PM

November 13, 2020 - Friday Hawkeye Community College

Cedar Falls 101 8:00AM - 1:00PM

November 19, 2020 - Thursday Western Iowa Tech Community College

Sioux City 102 12:00PM - 5:00PM

November 19, 2020 - Thursday Northeast Iowa Community College

ZOOM 101 12:00PM - 5:00PM

November 20, 2020 - Friday Western Iowa Tech Community College

Sioux City 101 8:00AM - 1:00PM

November 23, 2020 - Monday Des Moines Area Community College

South Ridge Des Moines 102 8:00AM - 1:00PM



Motor Vehicle Division Informational Memo # 20-30

GOVERNOR'S PROCLAMATION EXTENDS TEMPORARY REGISTRATION TO NINETY DAYS FOR CERTAIN VEHICLES WITH DEALER-ISSUED TEMPORARY CARDS

DATE: October 27, 2020

FROM: Daniel Yeh, Manager, Vehicle Services

TO: Iowa County Treasurers

Iowa DOT Vehicle & Motor Carrier Services personnel

Iowa Dealer Associations

Iowa Department of Public Safety

SUBJECT

This informational memo explains the new extension of the 45-day deadline to operate a vehicle upon the highways of this state without a registration plate. The Governor's October 16 Proclamation of Disaster Emergency extended the 45-day deadline to a 90-day deadline for certain customers. This extension only applies if those customers display a dealer-issued temporary card.

EXPLANATION

On October 16, Governor Reynolds issued a Proclamation of Disaster Emergency that extended regulatory relief across the State. A link to the proclamation can be found here: (<https://governor.iowa.gov/sites/default/files/documents/Public%20Health%20Proclamation%20-%202020.10.16.pdf>).

Section 121 of the Governor's Proclamation is new and includes the following provision:

For the duration of this Proclamation and any subsequent extension of this suspension, a vehicle may be operated upon the highways of this state without registration plates for a period of 90 days after the date of delivery of the vehicle to the purchaser from a dealer if the vehicle has temporary cards displayed otherwise consistent with the requirements of section 321.25.

We have received questions about this provision, so we are issuing this informational memo to explain how this section affects a customer's deadline to acquire registration plates. Certain customers will receive additional time during which a dealer-issued temporary card is valid.

This Proclamation provision affects two groups of customers:

- Customers with a date of vehicle delivery between September 1 and October 15.
- Customers with a date of delivery between October 16 and November 15.

If a customer's date of delivery from a dealer was between September 1 and October 15, the customer had at least one day and up to 45 days remaining at the time the Proclamation was issued, so the Proclamation applies. The deadline extends an additional 45 days. These customers have between 46 days and 90 days left to operate their vehicles with the temporary cards. The amount of time left will depend on the date of delivery of the vehicle.

If a customer's date of delivery from a dealer was between October 16 and November 15, the customer has 90 days from date of delivery to operate. The dealer-issued temporary card is valid for the 90 days.

QUESTIONS AND ANSWERS

HOW DID THE GOVERNOR'S OCTOBER 16 PROCLAMATION AFFECT THE 45-DAY DEADLINE TO ACQUIRE REGISTRATION PLATES AFTER THE DATE OF DELIVERY OF THE VEHICLE TO THE PURCHASER FROM A DEALER?

The Governor's October 16 Proclamation suspended part of Iowa Code § 321.25. This section states "A vehicle may be operated upon the highways of this state without registration plates for a period of forty-five days after the date of delivery of the vehicle to the purchaser from a dealer if a card bearing the words 'registration applied for' is attached on the rear of the vehicle."

The Proclamation extended the time period from 45 days to 90 days for certain customers. This means that certain customers will have an extended period of time before Iowa Code § 321.25 can be enforced against them.

WHICH CUSTOMERS ARE AFFECTED BY THE EXTENSION TO 90 DAYS AND HOW ARE THEY AFFECTED?

A customer who purchased a vehicle from a dealer and had the vehicle delivered between September 1 and November 15 will have an extended period of time to acquire registration plates. The expiration date will vary depending on the delivery date of the vehicle.

The following is an example using Appendix A for a customer who had a vehicle purchased from a dealer and a delivery date of October 17.

- Column 1 shows the date of delivery. This customer's October 17 delivery date falls between October 16 and November 15.
- Column 2 shows how many days the customer has to operate with the dealer-issued temporary cards.
- Column 3 shows the process for the customer to benefit under the Governor's Proclamation. For this customer, the dealer will issue a 90-day temporary card. The date issued for the temporary card is the date of delivery of the vehicle from the dealer to the purchaser.

HOW WILL THIS EXTENSION IMPACT VEHICLE DEALERS?

Vehicle dealers may interact with two groups of customers impacted by this extension:

- Customers with a date of vehicle delivery between September 1 and October 15.
- Customers with a date of delivery between October 16 and November 15.

1. Customers with a date of delivery between September 1 and October 15.

These customers had at least one day and up to 45 days remaining at the time the Proclamation was issued. The Proclamation extended the deadline an additional 45 days. These customers

have between 46 days and 90 days left to operate their vehicles with the temporary cards. The amount of time left will depend on the date of delivery.

An example from Appendix A for a customer with a delivery date of September 3.

- Column 1 shows the date of delivery. This customer's September 3 delivery date falls between September 1 and October 15.
- Column 2 shows the amount of time the customer can operate without registration plates. This customer will have a total of 90 days.
- Column 3 shows the process for dealers to follow for these customers. Upon request, the dealer should collect the initial 45-day dealer-issued temporary card. The dealer should issue a new 90-day temporary card. The new temporary card will have the same date of issuance as the original date of delivery of the vehicle from the dealer to the purchaser. For this customer, the date of issuance is September 3.
- The customer should only have one temporary card. The dealer should issue the new card, and collect the prior 45-day temporary card.
- The dealer may dispose of the 45-day temporary card.

2. Customers with a date of delivery between October 16 and November 15.

The dealer may issue a 90-day temporary card to the purchaser. The date of issuance is the date of delivery of the vehicle from the dealer to purchaser. The dealer should only issue one temporary card to the purchaser.

The extension does not apply prior to September 1 or on or after November 16. For customers with a delivery date on or before August 31, the temporary card has expired. The vehicle requires permanent plate. For customers with a delivery date of November 16 or after, the proclamation will have expired. The temporary cards will be 45 days.

DOES THIS EXTENSION APPLY TO A CUSTOMER WHO RECENTLY PURCHASED A VEHICLE WITHOUT A DEALER-ISSUED TEMPORARY CARD, MOVED TO IOWA OR OBTAINED A VEHICLE IN ANY OTHER WAY, SUCH AS INHERITANCE?

No. This extension only applies to customers who purchased a vehicle from a dealer, had a delivery date between September 1 and November 15, and who has dealer-issued temporary cards.

IF A CUSTOMER HAS A 45-DAY DEALER-ISSUED CARD AND QUALIFIES FOR THIS EXTENSION, MAY THE CUSTOMER ADJUST THE EXPIRATION DATE?

No. If a customer has a 45-day temporary card and qualifies for the extension, the customer should return to the dealer and receive a new dealer-issued temporary card. A customer may not alter the existing temporary card.

WHAT SHOULD A CUSTOMER DO WITH THE ORIGINAL 45-DAY TEMPORARY CARD ONCE THE CUSTOMER RECEIVES THE 90-DAY TEMPORARY CARD?

The customer should provide the 45-day temporary card to the dealer upon receiving the 90-day temporary card. The dealer may dispose of the original 45-day temporary registration card.

WILL THIS PROVISION BE EXTENDED TO LONGER THAN NINETY DAYS?

We cannot answer that question at this time. Any additional extension of the length of the temporary registration period will be determined as part of any future Governor's Proclamation if one is issued.

WILL THIS WAIVER BE EXTENDED PAST NOVEMBER 15, 2020?

At this time there is no other information on the probability for further extensions.

DOES THIS PROCLAMATION SECTION CHANGE ANY OTHER PART OF 321.25?

No. A person operating a vehicle with a temporary registration card shall still provide ownership evidence to any peace officer, upon request. This ownership evidence consists of the certificate of title or registration receipt, or a photocopy thereof, properly assigned to the person who has acquired the vehicle, or a bill of sale conveying ownership of the vehicle to the person who has acquired the vehicle (761 IAC 400.19). Only cards furnished by the department shall be used and only one card shall be issued for each vehicle purchased per Iowa Code section 321.25(2), unless the dealer is issuing a second card for extension, as noted in the explanation above.

WHO IS THE CONTACT FOR ADDITIONAL INFORMATION?

Daniel Yeh, Manager, Vehicle Services

Daniel.yeh@iowadot.us

APPENDIX A

Date of Delivery	Amount of time customer can operate without registration plates if the vehicle has a dealer-issued temporary card	How will this work?
August 31 and earlier	45 days	The Proclamation does not apply. These customers have expired temporary cards under Iowa law.
September 1 through October 15	90 days	<p>The Proclamation applies. These customers did not have temporary cards expire as of October 16. These customers benefit from the 90 days.</p> <ul style="list-style-type: none">• Upon request, the dealer needs to collect the customer's 45-day temporary registration card.• The dealer shall issue a new 90-day temporary registration card. The date issued is the original date of delivery of the vehicle from the dealer to the purchaser.• The customer should only have one temporary registration card.• The dealer may destroy the original 45-day temporary registration card.
October 16 through November 15	90 days	<p>The Proclamation applies. These customers receive 90 days from the date of delivery.</p> <ul style="list-style-type: none">• The dealer may issue a 90-day temporary registration card.• The dealer only issues one card to the purchaser.
November 16 or after	45 days	<p>The Proclamation does not apply.</p> <ul style="list-style-type: none">• The dealer shall issue 45-day temporary registration cards.

Information from the DOT

Dealer Plate Usage During Renewal Transition

Contact: Beth Dieter
Contact: Beth Dieter

As of today, there hasn't been any dealer plates shipped to dealers. Based on noted dealer inquiries, I want to clarify the timing of dealer plate usage during the dealer license renewal season.

1. Many dealers will receive the new 2021-2022 plates before the start of 2021. However, they cannot affix them to vehicles until January 1, 2021.
2. Iowa Code 321.61 clearly indicates that the expiring dealer plates may still be used for one month after they expire, which is saying thru January 31. This provision affords larger dealerships, with a large number of dealer plates, more time to switch over the old plates to the new plates, starting January 1. This would also cover any loaner vehicles that the dealership may have out with customers, as long as the vehicle is retrieved and plated with the

Information from the DOT

When a dealer wanted to input zero hours on a given day (MON thru FRI) on the online renewal

Previously, when a dealer wanted to input zero hours on a given day (MON thru FRI) on the online renewal, we had to have a workaround. The user would enter 1 hour for that day and then let us know to change it back to zero hours at Vehicle Services.

As of today, the user will need to enter *12:00am to 12:00am* for days where they are not open, reflecting zero hours. If they do this, they will not need to contact our office because this is how zero hours is represented in ARTS. However, I still expect the clerk staff, and maybe dealer associations, to get calls on how to reflect zero hours for a day in the system. Unfortunately, the online renewal process doesn't have a way to leave the day blank this time around.



Sub-Prime Lenders
Contact: Beth Dieter
PO Box 65400

West Des Moines, IA 50265 Phone: (515) 225-9067



Online Renewal: Printing License Certificates

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Online License Renewal 2020

Dealer outreach and feedback shows that many dealers are unaware that they should save and print their license certificates when renewing their license online

The following slides walk through the end of the online renewal process, where the license should be printed:

- 1 Proceed past payment confirmation; *Return to myMVD* button
- 2 Click blue link/s to open license certificate files (PDF)
- 3 Save & print certificates
- 4 Click *Finish* button

3

Online License Renewal 2020

Common entry of bank/credit information for payment

Phone Number 13191234567

Email Address schmedlapdav@aol.com

Payment Method

Card Number 4111111111111111

Expiration Date 03 2024

Card Security Code 111

Card Billing Address ☒ Use my contact information address
☐ Use a different address

Continue [Cancel](#)



Click *Continue* button to proceed to review of payment info

[Customer Service](#)

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Online License Renewal 2020

Review payment information

Electronic Payment Solutions

Review Payment

Please review the information below and select Confirm to process your payment. Select Back to return to the previous page to make changes to your payment.

Payment Details

Description Department of Transportation TEST
<http://www.iowadot.gov/>

Payment Amount \$3,101.50

Payment Date 10/21/2020

Payment Method

Payer Name Joe Schmedlap

Confirm [Back](#)

Again, click *Confirm* button to proceed to the confirmation page

Confirmation

Please keep a record of your Confirmation Number, or [print this page](#) for your records.

Confirmation Number **IOWDO2009109741**

Payment Details

Description Department of Transportation TEST
http://www.iowadot.gov/

Payment Amount \$3,101.50

Payment Date 10/31/2020

Confirmation Email schmedlapdav@aol.com

Billing Address

State

Zip/Postal Code 54837

Country United States

Return to myMVD

IMPORTANT: This is where many users think they are done. Payment confirmation is typically the end of an online transaction like this one, but there is another page where the license certificate is provided for saving and printing.

In order to save and print your new license certificate/s, click the *Return to myMVD* button at the bottom left of the Payment Confirmation page.



VEHICLE & MOTOR CARRIER SERV

PO Box 9278 | Des Moines, I

515-237-3110

515-

Complete

Your license renewal and payment has been received. Note: If your license had Extension Lots, links to print extension lot license can appear delayed. Click Finish to refresh page.

[Click here to download the license credential](#)

Finish

To open a PDF of your new license certificate/s, click the *blue link/s*. From there, you can save and print the license certificate/s.



MEET APPROVED BENEFIT PROVIDER:



Approved Benefit Providers

www.iowaiada.com

Frazer Computing, Inc. provides full-featured Dealer Management Software to over 21,000 independent used car dealers throughout all 50 states, including over 275 dealers in Iowa.

As the hub of your dealership's daily operations, the Frazer DMS features inventory management, sales processing, unlimited forms printing and customization, a full accounting suite and extensive reports.

Integrations with over 200 industry partners connect your dealership with marketing platforms, finance companies, credit reporting, electronic payment processing, online DMV services, vehicle value guides, history reports and much more.

Popular integrations include payment processing through OpenEdge and REPAY, text messaging through Solutions by Text and Textmaxx Pro, and SiriusXM Satellite Radio for test drives and free trials for your customers.

Frazer systems designed for Iowa dealerships arrive pre-loaded with a collection of standard state forms along with attorney reviewed Purchase Agreements, Retail Installment Contracts and other common forms.

The Frazer Sidekick Mobile App features VIN scanning and photo capability to easily add vehicles and photos to Frazer DMS from your smartphone or tablet.

Also included with Frazer is access to MyNextRide, an online automotive marketplace that allows Frazer dealers unlimited advertising of vehicles to digital shoppers.

Frazer DMS is backed by free and unlimited world class customer support. Learn more and request a free demo at www.frazer.com.

Access Systems

Advanced Business Products

AutoJini.com

Auto- Owners Insurance

Associations Marketing Group, Inc.

Automotive Finance Corporation – AFC.

Citizens Community Credit Union

CU Direct (CUDL)

The Cyclone Agency.

Erikson Solutions Services, LLC

Frazer-Dealer Management Software.

First Interstate Bank

Follow-Up Plus

Globe Acceptance, Inc.

Greater Iowa Credit Union

Innovative Dealer Services

Preferred Warranties, Inc.

ProSource Finance.com

Veridian Credit Union

Reynolds & Reynolds Inc.

S & C Automotive, Inc.

U Drive Acceptance Corp.

Green State Credit Union

Wilson Distributor Service



CFPB Releases Report on COVID's Impact on Consumer Credit, with Some Surprising Results

Article

October 2020

Crazy times, right? Chances are you've heard this refrain numerous times over the last seven months, most notably on Zoom calls during the crushing silence of someone on the call forgetting to unmute his or her microphone. Amidst these crazy times, a common question that touches everything we've done as compliance attorneys since March is how has the pandemic impacted consumer credit.

On August 31, the Consumer Financial Protection Bureau released a report examining the early effects of the COVID-19 pandemic on consumer credit outcomes, including delinquencies, payment assistance, credit access, and account balances. While COVID-19 has obviously impacted our daily lives in a major way, the Bureau found some interesting results about the impact it has had on consumer credit, including auto finance.

The CFPB's report focused on mortgage, student, and auto lending, as well as credit card accounts, from March to June 2020. For its sample, the Bureau used the Consumer Credit Panel, a nationally representative sample of approximately five million de-identified credit records maintained by one of the three nationwide consumer reporting agencies. While the CFPB notes that certain outcomes of the study may reflect payment assistance provided through the Coronavirus Aid, Relief, and Economic Security Act, the CARES Act did not provide any specific assistance programs for auto financing. As a result, any auto credit assistance programs that may have affected the study were provided by financial institutions at their own discretion.

The report's primary finding was somewhat surprising. Despite the economic turmoil of the first few months of the pandemic, the results show that consumers did not experience many of the negative credit consequences that might be expected during periods of rising unemployment and significant loss of income.

The reported rate of new delinquencies on all covered products fell between March and June. For auto credit, transitions from current to delinquent fell by roughly 0.1% during the period. Further, the increase in severity of delinquency on auto credit - essentially, the amount that delinquent vehicle-secured contracts became even more delinquent - also fell.

Now, we realize that a 0.1% drop may not sound significant. However, considering record weekly unemployment figures and other financial shocks, any drop is quite surprising. That is, until you look at the data on financial assistance.

In the study, the CFPB found overall that there was a sharp increase in accounts reported with zero payment due despite a positive balance. This, according to the Bureau, indicates the use of some type of payment assistance.

Prior to March, the total amount of auto credit in payment assistance — like most of the other credit products surveyed aside from student loans — was near zero percent. In April, 1.4% of auto credit transactions had transitioned into payment assistance. Though some products reported higher rates (mortgages had a 6% payment assistance rate), this is a substantial rise. While payment assistance in auto credit continued to rise by roughly 0.75% in both May and June, it's worth noting that almost 1.6% of auto accounts transitioned out of payment assistance over that same period.

So, what does this mean going forward? Well, as we are all well aware, COVID-19 does not appear to be going away any time in the immediate future. However, even if it disappears tomorrow, the economic ramifications of the pandemic will be felt for a long time. As long as unemployment numbers continue to stay at high levels, many consumers are going to struggle to pay their bills.

Despite this grim reality, the CFPB's survey offers hope. It tells us that payment assistance — and working with consumers to find alternate paths to repayment, generally — can help consumers and creditors avoid delinquencies (and therefore repossessions) that both parties would prefer not to occur.

So, as buyers continue to struggle, creditors will need to adapt, providing flexible payment arrangements to keep people in their cars. Adapting to our new normal....it's so 2020, right?

*Nicole F. Munro is a partner in the Maryland office of Hudson Cook, LLP. Nikki can be reached at 410.865.5430 or by email at nmunro@hudco.com. Christopher J. Capurso is an associate in the Virginia office of Hudson Cook, LLP. Chris can be reached at 804.212.2998 or by email at ccapurso@hudco.com.



Auto- Owners Insurance

Discount to IIADA members on

Dealer Insurance and Dealer Bonds

Many Iowa insurance agents represent

Auto-Owners Insurance Company