

Update: Government Scrapped Vehicle Program

By a 50-4 vote, the House Energy Committee approved federal legislation to provide a government voucher to consumers who buy a new car in exchange for scrapping a less fuel-efficient vehicle. Similar legislation is expected to be considered in the U.S. Senate in early June when lawmakers return from the Memorial Day recess. SEMA is urging lawmakers to include a provision to require that scrapped vehicles be less than 25 years old as a means of protecting vehicles that are valued by hobbyists or may be a source of recyclable parts for use on restoration projects.

Under the legislation, a scrapped vehicle must get less than 18 mpg (15 mpg for heavy pickups and vans). The car buyer would receive a \$3,500 voucher if they bought a new passenger car that was at least 4 mpg higher than the older vehicle or a new pickup truck/SUV that was at least 2 mpg higher than the old truck. They would receive a \$4,500 if the passenger car was at least 10 mpg higher and the truck/SUV was at least 5 mpg higher. The program would mandate that the engine block and drivetrain be destroyed. The program would last up to one year, authorize \$4 billion in spending and potentially scrap one million older cars and trucks.

A vehicle that is 25 years old or older is rarely driven and does not contribute to the nation's dependence on foreign oil. A 25-year exclusion would also guarantee that older cars that have an historic or aesthetic value are not inadvertently crushed.

SEMA's recommendations are intended to reduce the damage a vehicle scrapping program would impose on thousands of independent repair shops, auto restorers and recyclers, customizers and their customers across the country. SEMA will continue to promote alternative incentive programs that will help clean the environment, provide for vehicle and parts recycling and preserve collector cars for future generations.

Source: SEMA

SBA LAUNCHES PROGRAM... *from page 7*

severely delinquent or whose past performance or future cash flow indicates that the business is not viable are not good candidates for an ARC loan. ARC loans are provided by commercial lenders, not the SBA, so you should contact your lender to apply.

Questions they may ask include the following:

- Has your small business been in operation for a minimum of two years?
- Do you have financial statements (balance sheets, income statements, and cash-flow statements) which demonstrate your business had a positive cash flow in one of the past three years (or as long as your business has been operating, if less than three years)?
- Does your cash-flow projection for the next two years indicate sufficient cash flow to meet your current and future loan payments?

For more information: <http://www.sba.gov/recovery/arcloanprogram/index.html>.

Too Big to Get a Small Business Loan? Think Again...

The U.S. Small Business Administration (SBA) has temporarily expanded the size requirements for SBA-backed 7(a) loans in order to help insert more liquidity into the marketplace. The SBA estimates that more than 70,000 small businesses across the country will be eligible for new loans between now and the time the program ends on September 30, 2010, including many auto-sector businesses.

The temporary loan size standard will allow businesses to qualify based on net worth and average income (rather than by the number of employees). The net worth for the company and its affiliates cannot be in excess of \$8.5 million and average net income after federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years cannot be more than \$3 million.

The 7(a) program is the SBA's most popular loan program. The volume of newly approved 7(a) loans sold on the secondary market has increased dramatically in recent months as a result of two other rule changes in March, a temporary reduction in fees charged to borrowers along with an increase in the maximum federal guarantee, from 85% to 90%.

For more information about the SBA's 7(a) loan program, visit <http://www.sba.gov/services/financialassistance/sbaloantopics/7a>

Source: Small Business Association

**Have you checked out the
PWA Dealer Locator web site lately?
www.FINDFASTPARTSFAST.com**

2009 PWA HOLIDAYS

The PWA office will be closed on the following dates so the staff can enjoy some quality time with their families:

Labor Day	Monday	September 7
Thanksgiving	Thurs., Friday	November 26, 27
Christmas	Friday	December 25