



March 17, 2020

The Honorable Donald Trump
President
1600 Pennsylvania Avenue, NW
Washington, DC 20050

Dear Mr. President:

I am writing to you on behalf of minority automobile dealers throughout this country. Unfortunately, the COVID-19 pandemic has negatively impacted our economy on many critical levels. Automobile dealers across this great nation – particularly ethnic minority automobile dealers – will find it extremely difficult, if not impossible, to obtain access to capital and to maintain their current banking relationships due to the Coronavirus' impact on our dealers who are located all over the country. Although the trouble facing the overall automobile industry has yet to be publicized, what's even more prevalent in these crucial times is the difficulty facing the small business owners who are the ethnic minority automobile dealers.

For ethnic minority automobile dealers, the road to access and opportunity began in the mid-to-late 60s. Because of this access, the United States government and automobile manufacturers – particularly the domestic auto manufacturers – paved the way for ethnic minority entrepreneurs to capitalize on newly provided opportunities to become dealers. Today, there are 1,200 ethnic minority automobile dealers, representing only six percent (6%) of the overall automobile dealer network in the United States. ***However, with the economic turmoil that this country is facing due to COVID-19; 60% of the entire minority dealer body could run out of cash, lay off employees and possibly close their doors by year end. Federal financial assistance is needed immediately to allow these Small Businesses and employees to survive.***

While we applaud you issuing the National Emergency Declaration and activating the Economic Injury Disaster Loan Program through the Small Business Administration, there was no assistance for us. We barely survived the negative experiences during the Great Recession and the Auto Industry Bailouts and now looking forward and needing immediate help, history has proven to us that many financial institutions and "captive" institutions ***will not*** adhere to the SBA loan requirements.

Therefore, we urge you to also consider provisions to provide financial assistance to ethnic minority automobile dealers who are and will be negatively affected by the COVID-19. We ask that you provide the following:

- Instruct Financial and Captive Institutions to forgive ninety days (90 days) of mortgage payments to extend terms to the end of their loans;
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- Instruct Financial and Captive Institutions to waive curtailment payments for floor plans;

These non-cash transactions will provide these Small Businesses to keep their doors open and hopefully reduce the amount of employee layoffs. The majority of all ethnic minority dealers are located in rural areas, who provide a significant amount of resources and financial support to many local businesses, civic, and community base organizations. As a result of this credit crunch, if consideration isn't given to our request, it is our estimate that over 700 dealerships and over 30,000 jobs will be lost. If immediate assistance is not provided to automobile dealers, extremely negative consequences will be felt within the dealer body and the industry that will directly and adversely affect the economy in the United States, both short and long-term.

Thank you in advance for considering our proposal. We are available and would welcome the opportunity to discuss this issue and to also provide other suggestions to you and your Administration. Please feel free to contact Damon Lester, President at 240-508-5915 or via email damon.lester@namad.org.

Sincerely,

Fernando Varela
Fernando Varela
Chairman

Damon Lester
Damon Lester
President

Cc:
Congressional Hispanic Caucus
Congressional Black Caucus
Congressional Asian/Pacific Islander Caucus