Stop Sale/Safety Recall: Acura 2005-2016 Multi-Model Driver's Airbag Inflator Dealer Q&A – Updated 03.18.16

GENERAL	
What is the cause of the stop sale/safety recall?	In certain vehicles, the driver's (front) airbag inflator could produce excessive internal pressure during airbag deployment. If an affected airbag deploys, the increased internal pressure may cause the inflator casing to rupture. Metal fragments could pass through the airbag cushion material, possibly causing injury or fatality to vehicle occupants.
Has a root cause been identified?	Multiple studies are ongoing by Honda, Takata, other automakers and NHTSA into the root causes of Takata airbag inflator ruptures. One of these studies completed the first phase of its analysis and released their initial findings on February 23, 2016: The Independent Testing Coalition, a partnership of 10 automakers, including Honda, announced that an independent engineering firm (Orbital ATK) investigating the root cause of a defect tied to certain Takata airbag inflators, has traced the root cause to a combination of three factors: 1. The presence of pressed phase stabilized ammonium nitrate propellant without moisture-absorbing desiccant 2. Long term exposure to repeated high temperature cycling in the presence of moisture, and 3. An inflator assembly that does not adequately prevent moisture intrusion in high humidity. The results of the investigation apply solely to inflators subject to National Highway Traffic Safety Administration (NHTSA) recalls 15-E040 to 15-E043, which use a propellant of non-desiccated phase-stabilized ammonium nitrate (PSAN). Honda is currently evaluating this root cause determination along with other reliable data in our ongoing analysis of the root cause of ruptures of Takata airbag inflators. If Honda determines that a safety defect exists in any of its vehicles not yet subject to recall, we will take swift action in the interest of our customers' safety.
Have there been any ruptures of this type of inflator in the market in Honda or Acura vehicles?	Honda has not received any reports of Takata PSDI-5 inflator ruptures in the market in Honda or Acura vehicles worldwide.
Which models are affected by the	The recall includes specific VINs from these Acura models:

stop sale/safety recall?	 2013-16 Acura ILX 2007-16 Acura RDX 2005-12 Acura RL 2009-14 Acura TL 2010-13 Acura ZDX Check VIN status to see if a specific VIN is included in the recall.
When will a list of affected VINs be available?	As of February 15, 2016, affected VINs have been determined and vehicle eligibility can be confirmed through VIN status inquiry. Any unsold vehicle shown to be eligible for service bulletin 16-010 will need to remain on stop sale until the vehicle is repaired. Vehicles that no longer show as eligible for the bulletin can be sold without further action, assuming no other open recalls apply. Client-facing sites (www.recalls.acura.com, safercar.gov) have also been updated with the list of eligible VINs, which may drive inquires about eligibility or repair. At this time, replacement parts to repair the recall condition are not available.
Will the list of MY16 VINs change?	No. The list of affected 2016 model VINs will <u>NOT</u> change. All affected 2016 model year VINs that are part of this recall have been loaded into iN.
With all the airbag-related recalls announced lately, why are Honda and Acura seemingly the only brands with a Stop Sale?	The stop sale on new vehicles is federally mandated. American Honda issued the stop sale on used vehicles in alignment with our company policies and in the interest of customer safety, which is our top priority.
Why did American Honda call for a Stop Sale when there have been no injuries or deaths related to this new recall and other automakers have not issued a Stop Sale?	The stop sale on new vehicles is federally mandated. American Honda issued the stop sale on used vehicles in alignment with our company policies and in the interest of customer safety, which is our top priority.
Since there have been no ruptures of this type of airbag inflator in Honda or Acura vehicles, should a dealer or customer not be worried about the issue?	Everyone affected by this recall should take the risk of airbag inflator rupture seriously. Honda has determined that the Takata airbag inflators included in this recall contain a safety related defect.
What is the repair?	Replace the driver's airbag inflator with a different inflator type.
Are replacement parts available?	The necessary replacement parts are currently not available. American Honda expects to receive the first shipment of parts in early April, but this shipment will not include every part number required by the recall. We anticipate that recall repairs will begin in May.

Why will there be such a long delay for replacement parts?	Acura plans to replace all of these recalled inflators with new parts from an alternative supplier, free of charge. It will take some time to conduct the engineering and testing of replacement inflators in order to ensure that they will fit in the existing airbag modules originally installed in these vehicles and perform to specification. Additionally, due to the large number of vehicles involved, some of the delay will be caused by efforts to ramp up production for this purpose.
Since you have a supply of replacement inflators already, why can't the existing replacement inflators be used for the PSDI-5?	The driver front inflator designs and specifications are different between vehicles included in the latest recall and the earlier recalls.
Do the replacement inflators contain ammonium nitrate?	For the driver front airbag inflator recall announced in February 2016, Autoliv will supply the replacement inflators. None of those replacement inflators will contain an ammonium nitrate propellant.
	For the Takata airbag inflator recalls announced before February 2016: The replacement airbag inflators being supplied by Takata do contain ammonium nitrate in their propellant formulas.
	The replacement inflators being supplied by Autoliv, Daicel and TRW do not contain ammonium nitrate.
What actions should dealers take?	 Ensure that every dealership associate is aware of this situation and that customer-facing associates provide transparent information to customers. Refer to your eResponsibility report and VIN inquiry to determine which units in your inventory are affected by this safety recall. Run a VIN status check on all vehicles brought into your Service department to determine if they are affected by any recall. For affected vehicles, replace the driver's airbag inflator with a different inflator type. Any new or used units in dealer stock must be repaired per service bulletin 16-010, Safety Recall: Takata Driver's Airbag Inflator once the parts and repair information is available. Offer concerned customers of affected vehicles a loaner or rental vehicle until a replacement part is available and their vehicle is repaired.
	USTOMER COMMUNICATIONS
When will customers be notified of this recall?	Initial notifications will be mailed to customers beginning March 14, 2016, with a completion date by March 25, 2016. American Honda is also communicating to customers in the following ways:

	 February 3 – Press release was issued to the media February 4 – Alert was posted on the Acura Owners site February 15 – VIN search became available at recalls.honda.com and recalls.acura.com
What will be communicated to customers in the mailing?	Clients will initially be advised that their vehicle is affected by a safety recall and that parts will be made available beginning in summer. Once sufficient parts are available, clients will be notified by mail again to visit their dealer for inflator replacement, with priority on older models and regions affected by high absolute humidity.
What should dealers tell customers whose vehicles show as included in the recall in VIN Status Inquiry?	 If the vehicle shows as affected in VIN Status Inquiry, please let the client know the following: Your vehicle is part of an open recall requiring a replacement of the driver's airbag inflator. You will receive an initial notification in the mail in March. There are currently no replacement parts available for this recall. Replacement parts are expected to begin arriving at dealers this summer, but it will take some time before enough parts will be available to repair every vehicle. You will be notified by mail again when parts become available for your vehicle and you're encouraged to visit an official Acura dealer for repair at that time.
	SALES
Can dealers sell vehicles with affected VINs to retail customers?	No. All affected vehicles are on stop sale and cannot be sold until the inflator is repaired with a counter-measured part.
Can dealers wholesale affected units?	No. Dealers cannot sell any vehicles affected by this recall until the required repair is completed.
The stop sale of used vehicles under recall is an American Honda-imposed policy; it is not federally mandated. Given this, why couldn't a dealer sell a used car under recall?	Although American Honda cannot stop a dealer from selling a used vehicle under recall, our dealer agreement states that: "Affected vehicles should not be sold until the inspection and, if necessary, repair has been completed. Should an unrepaired vehicle result in any claim because of the required recall repair, the dealership will be solely responsible to the claimant, and will be required to defend and indemnify American Honda for any resulting claims."
How many MY16 vehicles are included in this stop sale?	Of the approximately 530,000 model year 2005-2016 Acura vehicles affected by this recall, approximately 2,000 units are unsold MY16 ILX and 10 units are unsold MY16 RDX units currently in dealer inventory.

If a 2016 model is included in the affected vehicle list, but a VIN status inquiry does not show that it is part of the stop sale, can a dealer sell the vehicle?	Yes. The list of affected vehicle VINs for 2016 models is confirmed and loaded into iN. If a 2016 VIN does not show as part of this recall on iN, a dealer may sell the vehicle.
Will Acura provide dealers floorplan and/or depreciation assistance for recalled vehicles in dealer inventory?	On February 11, 2016, Acura announced the Acura Trade-In-Assistance Program for dealers: Depreciation assistance for current new, used and Acura Certified Pre-Owned Vehicles (ACPV) affected units in inventory as well as future used and ACPV units. • Assistance will be effective as of a vehicle's stop sale date or dealer acquisition date through the campaign completion date. • Dealers will be paid assistance based on the variance in Blackbook average value during that period. Floorplan assistance for current new, used and ACPV affected units in inventory as well as future used and ACPV units. • Assistance will be effective as of a vehicle's stop sale date or dealer acquisition date through the campaign completion date. • Dealers will be paid assistance at the Prime rate based on the Blackbook average value. • Dealers will be paid assistance for Floorplan insurance based on the Blackbook average value. Claiming systems for this program are currently in development and are expected to go live during the week of March 28, 2016. Paid assistance will apply to all affected units as of the stop sale date. Marketing bulletin AP-D72 posted on iN on March 14, 2016, provides official program details. Please note that this program ends on July 29, 2016. Acura will assess the need to extend this program beyond July 29, 2016, based on parts availability come July.
How frequently will Acura pay dealers depreciation, floorplan and insurance assistance?	American Honda will provide assistance to dealers on a monthly basis. Please see bulletin AP-D72 for details regarding the timing of these payments.
How will dealer assistance for the 2016 ILX be calculated when there was no average Blackbook value on this vehicle at the time of the stop sale?	MY16 models are represented on the web-based version of Blackbook.

What should dealers do when customers want to trade in a vehicle included in the recall?	Dealers will have the option to take vehicles in on trade and utilize the floorplan and depreciation assistance program American Honda announced on February 11, 2016.
Does the floorplan assistance and depreciation assistance apply to recalled vehicles purchased from other OEM dealers on trade?	Yes. The floorplan and depreciation assistance for Acura dealers covers all affected vehicles acquired by the Acura dealer in the normal course of doing business.
Will American Honda compensate dealers for storage costs resulting from the stop sale?	American Honda will not reimburse dealers for storage costs; however we are compensating dealers at Prime for floorplan assistance, which should help to defer other costs incurred by the dealer.
Will Acura provide a lease extension offer for current Acura clients?	 On February 11, 2016, Acura announced the Lease Extension Program/ Acura Advantage Program Dealer-optional 6-month lease extension for maturities ranging between February 1, 2016 and June 30, 2016. \$1,000 loyalty offer toward Cap Cost Reduction or Down Payment Assistance for any new and not previously reported sold Acura vehicle leased or financed through Acura Financial Services upon fulfillment of a 6-month lease extension. Please refer to bulletin (AP-D47) for official program details. Note: Acura is not promoting this offer to customers. It is solely at the discretion of the dealer.
What should dealers do when customers coming off lease want to purchase their affected lease vehicle?	The Airbag Recall/Stop Sale prohibits the sale of any vehicles subject to recall. Upon further review and in compliance with the stop sale, AHFC has made the decision to disallow the sale of offlease vehicles to their original lessees. Dealers can offer customers a lease extension and these customers will be eligible for American Honda's loaner car policy. Customers will have the opportunity to purchase the vehicles off lease once recall repairs have been made.
Can dealers purchase lease vehicles at end of term?	Acura dealers may purchase affected lease vehicles at end of term through the Vehicle Inter-Dealer Purchase System (VIPS) or scheduled Acura-only auctions. Dealers are prohibited from selling the vehicle to any client until the repairs are completed.
Are affected vehicles purchased through VIPS eligible for the trade-in assistance program?	Yes.

How quickly will AFS retrieve their cars if the dealer does not buy it after end of term?	AFS understands the importance of having end of term lease vehicles picked up in a timely manner after they have been grounded through VIPS. AFS works with our auction partners to have vehicles picked up within our service level agreement of (3) three business days.
If I don't floorplan with AHFC, will I still receive floorplan assistance?	Yes. The floorplan assistance program will be available for all dealers regardless of your current floorplan provider.
Would AFS consider extending special floor lines for the amount equal to the frozen inventory to a non-AFS flooring dealer, so they can try and continue to conduct regular business?	At this time, there is no plan to extend special floorplan lines to non-AFS flooring dealers. Dealers should be working with their current floorplan lenders to open or increase their Used Line Flooring, if needed. If Acura dealers are considering moving their floorplan financing to AFS, please have them contact their Dealer Relations Manager for details.
Can an Acura dealer retail a Honda vehicle included in the recall?	No. Dealers should not retail any Acura or Honda vehicle under recall. Dealers should check Acura VINs on iN and should check Honda VINs on recalls.honda.com.
Will American Honda provide assistance to Acura dealers for Honda vehicles included in the recall?	Yes. The assistance programs announced on February 10, 2016 will also apply to ACPV and used Honda vehicles.
Is Acura planning to suspend current pull-ahead programs?	No. Based on dealer requests and feedback that there is new car availability to support these programs, Acura will not suspend the current pull-ahead programs.
Will Acura eliminate the ACPV requirement for Dealership of Distinction in light of the recall?	Yes. Acura is eliminating the ACPV-to-new ratio requirement for the 2016 program.
Will AFS suspend the CPO requirement of the Driving Excellence program in light of the stop sale?	Acura Financial Services® (AFS) has implemented the following changes to Driving Excellence, effective retroactive to February 1, 2016 and continuing until further notice. Units purchased via Dealer Lease Payoff or through Vehicle Inter-Dealer Purchase System (VIPS) impacted by the stop sale/safety recall will be removed from the dealer's grounded unit count. The dealer will continue to receive credit for the upstream purchase of those impacted vehicles.
	For complete program rules and frequently asked questions: • Logon to the Acura Performance Center: www.acuraperformancecenter.com

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Will Acura eliminate the ACPV requirement for Standards Bonus until replacement parts are available to repair affected vehicles?	Yes. Acura will suspend the ACPV-to-new ratio requirement for the Acura Standards Bonus Program until further notice.
What happens if a dealer wants to recertify a recall-impacted vehicle and incurs additional reconditioning expenses?	Acura will provide a \$200 reconditioning allowance for every impacted vehicle listed in the dealer's Certified Pre Owned inventory on January 30, 2016.
	Payment will be made once all recall claims and campaigns on the vehicle are completed and the vehicle is RDR'd. Claims for payment assistance will be made through the Acura Performance Center. A bulletin with details will go out regarding the claim process.
	Payment will be made following the process through the Dealer Performance Center.
If a dealer sold a certified pre- owned vehicle under recall prior to the stop sale date, can he/she still RDR the vehicle?	In cases where dealers sold and delivered recalled Certified Pre Owned vehicles to customers but did not RDR the vehicle prior to the stop sale, the Auto Remarketing team will assist you in completing the RDR manually. Please submit the necessary documents to us for review and approval:
	 CPO Vehicle Exception Request Form (complete Section 2. Delinquent Certified RDR) Completed 182-Point checklist Copies of Repair Orders A Customer signed copy dated on or before January 30, 2016 of any of the below documentation:
	 Sales Agreement or Bill of Sale Retail Sales Contract or Lease Agreement Finance Agreement (if applicable)
	Please send those documents to: Certified_compliance_notification@ahm.honda.com.
	Upon receipt and approval of the documents, Auto Remarketing will scan them, store in a PDF file and will manually input the RDR. The dealer will be emailed confirmation upon completion of the RDR.

SERVICE	
Is there a service bulletin for this safety recall?	We have issued bulletin 16-010, Safety Recall: Takata Driver's Airbag Inflator to support this safety recall. Once parts are available, the bulletin will be revised to include warranty, parts and repair procedure information.
What verbiage should be included on the Repair Order?	"Customer advised that: The vehicle is subject to a recall affecting the driver's front airbag inflator. Redesigned driver airbag inflators are not available for installation at this time. Once redesigned parts are available, the registered owner of the vehicle will receive notice to bring the vehicle in for replacement of the component."
	If a customer receives a loaner vehicle or third-party rental for alternative transportation until recall repairs are completed and wishes to maintain possession of the vehicle under recall until parts are available, also ensure that the customer executes the stand alone Vehicle Retention Owner Indemnification Agreement provided through iN.
If a customer's airbag has deployed, should the dealer replace the airbag with available parts?	Acura cannot replace or supply a replacement Driver SRS module for these affected vehicles at this time; alternate transportation should be offered to the client until SRS modules containing updated inflators become available.
How will parts be prioritized for waiting customers?	Due to the regional nature of high temperature and high absolute humidity, customer mailings will be conducted in high absolute humidity regions first, with the earliest model years receiving priority. Acura will notify dealers once this activity begins. Once parts are available, we will focus initially on high humidity markets. Note: Fourteen U.S. states and territories designated by Honda as High Absolute Humidity regions: Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, Texas, Puerto Rico, the US Virgin Islands, Saipan, Guam and American Samoa.
Will this new recall impact efforts related to the previous Takata inflator recalls?	No. This is a new safety recall. With your great support, American Honda has replaced about 50% of the inflators identified in previous recalls. We have sufficient parts in stock for all these vehicles affected by the older recalls and we're continuing our outreach efforts to those customers. There's plenty of work to do between now and the arrival of the new recall parts to continue this effort, so we ask that you please maintain your current staffing levels. When a customer contacts your dealership, please be sure to clearly identify which recall the vehicle falls under. We DON'T want to mistakenly turn away vehicles associated with the older recall.

LOANER VEHICLES	
Should dealers provide concerned customers with a loaner or rental vehicle?	Yes. Dealers should provide a loaner car to any customer who requests one while their vehicle is awaiting repair. Also, an exclusive service offered by Acura are loaner vehicles to customers under the age of 25. This policy also applies to customers who purchase vehicles coming off lease. It is preferred that dealers offer ACCP vehicles to customers. To receive reimbursement for use of your ACCP vehicles, file rent back expenses through sublet R9 in the warranty claim. If using third party rental vehicles, obtain authorization from DPSM and rental expenses through sublet R3 in the warranty claim.
Can loaner vehicles included in the recall be loaned out to clients?	No. See Acura Dealer Operations Manual section 15.6.
How can dealers confirm if a loaner vehicle is included in the recall?	ACCP vehicles must be checked individually via iN "Service" > "Vehicle Information" > "VIN Inquiry."
Will American Honda provide dealer support for loaner vehicles affected by the recall?	Acura will allow dealers to remove affected stop sale units prior to 3 months in-service without subsidy chargeback. We will also allow dealers to input non-affected models from new vehicle inventory, including new 2015 TLX models, to replace the affected vehicles removed due to the recall. Acura is introducing an enhancement to the ACCP program that will include 2015 and 2016 TLX models. Please refer to a future bulletin for official program details. In addition, we will continue the opportunity for dealers to expand their subsidized ACCP fleet to 80% or higher of their daily CP and Warranty repair order counts, with zone approval. To maximize your use of the ACCP program, Acura recommends replacing affected ACCP units immediately under the "Acura Trade-in Assistance" incentive offer.
How will Acura calculate depreciation and floorplan assistance on ACCP vehicles removed from service as a result of the stop sale?	ACCP units affected by the recall and removed from loaner service after February 2, 2016, are eligible for depreciation and floorplan assistance. The "start point" for these units will be the actual payoff amount made to AFS as shown on the Dealer Financial Services Statement of Account. On the date of the campaign completion, depreciation assistance will be paid based on the difference between the AFS payoff amount and the Blackbook (Average) value minus any applicable dealer/lease/finance cash. On the date the vehicle is RDRd, any dealer/lease/finance cash available will be paid, per our current policy.
Will Acura provide ACCP Assistance Cash to support dealers in transferring ground stock into	Acura has announced Marketing Bulletin AP-D48 that provides assistance for dealerships that have an immediate need for additional loaner units stemming from the recent airbag

their ACCP service fleet?	recall/stop sale. AP-D48 offers dealers \$500 ACCP Assistance Cash for transferring 2015/2016 TLXs and 2016 RDXs into ACCP service prior to March 31st.
Will Acura pay assistance to dealers for the \$500 ACCP Assistance Cash (AP-D48) if the dealer transferred 2015/2016 TLX and 2016 RDX units into their ACCP fleet prior to the bulletin?	Yes. Any 2015/2016 TLX or 2016 RDX transferred into ACCP in the months of February or March will be eligible for the \$500 ACCP Assistance Cash.
One of the requirements of the ACCP program is that the unit must have been originally invoiced to the dealer wanting to place that unit into ACCP status. If dealers need to supplement their ACCP fleet due to the recall but have no MY15 TLXs, will Acura suspend this requirement and allow dealers to transfer MY15 TLXs from another dealer specifically for ACCP inventory?	No, to transfer vehicles from new dealer inventory into ACCP loaner service the stock unit must to removed and re-invoiced from AHM. During the re-invoicing process credits can only be transferred back to the original invoicing dealer.
Will dealers still receive the monthly subsidy for ACCP vehicles affected by the recall?	Dealers have two options for their ACCP vehicles included in the recall: 1. Dealers can opt to transfer recalled vehicles from their ACCP fleet to their used inventory and receive floorplan and depreciation assistance from American Honda. OR 2. Dealers can choose to leave recalled vehicles in their ACCP fleet and simply remove them from service and continue to receive the monthly subsidy.
Can a dealer use a third party rental car company and get reimbursement?	Yes, Acura will provide dealers reimbursement for use of third party rentals. The preferred process is to use ACCP vehicles when possible to maximize client satisfaction. Dealers should negotiate extended term rates with rental agencies if necessary.
How frequently will Acura reimburse dealers for rental vehicle expenses?	Acura's policy is to reimburse dealers for rental vehicle expenses as part of the campaign completion claim. Requests for exceptions to the policy will be reviewed by zone management on a case-by-case basis.
Can a customer receive a loaner vehicle from the dealer and still keep his/her recall-affected	Should you receive a request for alternate transportation from a customer affected by this recall where a campaign part is not available for the repair, please follow the procedures outlined in iN

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vehicle?	Message: "Stop Sale/Safety Recall: 2005-2016 Multi-Model Driver's Airbag Inflator- Alternate Transportation Procedures Where Parts Are Not Available For the Repair" sent on February 17, 2016.
Can a customer keep a loaner vehicle for more than 30 days if parts are not yet available to repair his/her vehicle?	No. Per the requirements of American Honda's ACCP insurance carrier, the client cannot be loaned a vehicle for longer than 30 days. At 30 days, the vehicle has to be inspected and/or exchanged for another vehicle and the client must sign a new agreement. This enables to dealer to complete any required service maintenance.
Can a dealer expand his/her fleet size due to client demand related to the recall?	Please contact your DPSM to make ACCP fleet increase requests. The Parts and Service Zone Manager will work in conjunction with Acura Financial Services to review requests on a case-by-case basis.
Can dealers pull recall-affected vehicles out of the loaner car program without penalty prior to the minimum in-service requirement?	Yes. For all recall-affected ACCP units, the subsidy charge will be waived for removal from the program prior to the 3 months inservice minimum.
Will clients be required to continue to make their monthly payment to Acura Financial Services while driving a loaner vehicle?	Yes.