## GTP Extended to 2008 and 2009 Model Years and Takata Used Vehicle Finance Assistance (TUVA) Program Update October 3, 2016

<u>Background</u> – In order to assist retailers with the impact that scarce parts supply may be having on their used vehicle inventory, Subaru of America has taken two actions.

The first was announced on Sept. 20, stating that effective 10/1/16, the Guaranteed Trade-in Program (GTP) would be extended to 2008 and 2009 model year vehicles. This was done in order to assist Subaru retailers in creating a new vehicle selling opportunity as a result of the Takata recall campaign. All 2008 and 2009 model year vehicles are now eligible for GTP, regardless of Takata recall.

The second announcement on 9/30/16 was "TUVA", Takata Used Vehicle Assistance Program which is effective today, Monday Oct. 3. This will help retailers with cash flow – providing interest free funding for used vehicles in inventory which are not saleable due to inadequate parts supply for these air bag inflator repairs. This program is applicable to any used vehicle in inventory, where inflator parts are not available. While it may be permissible in some states to sell used vehicles subject to a recall where parts supply is inadequate, our retailer agreement generally precludes such sale. And the sale of CPO cars is specifically prohibited. Plus, we do not think selling a used vehicle with any outstanding recall or service campaign is in the spirit of The Love Promise.

While parts supply is anticipated to improve over the next few weeks, we recognize that it may take some time to get these repairs completed. This is especially pertinent to Tribeca vehicles, as the initial parts supply for those vehicles is not expected until December.

We have identified vehicles in your used car inventory that are subject to the Takata air bag inflator recall by referencing two sources – Dealer.com and AutoTrader.com. However, vehicles that were not identified from these two sources are also eligible for funding as follows.

## Retailer Process for this program:

- Retailer enters TAKATA + short vin (no spaces) to pull up the Takata redemption in Subarunet / Incentives / coupon redemption system. (Note that the retailer name is the customer name).
- 2. Retailer enters the amount of the trade-in and uploads the Buyers Order/Financing Agreement, Bill of Sale or Auction Bill of Sale (Block Ticket). The trade-in value per the documentation is what determines the amount to be advanced.
- 3. In the event a VIN is not identified upon coupon entry for the TUVA program, please send an email with the Buyers Order, Bill of Sale or Auction Bill of Sale (Block Ticket) attached to Lesley Cruz (Icruz@subaru.com). Once the vehicle is confirmed as eligible for a Takata recall and determined to have insufficient parts supply, the VIN will be added to the system and a redemption will be entered for the retailer.
- 4. If the amount entered is incorrect, Accounting Incentives will fix it before approval.
- 5. TUVA payments will be paid weekly via ACH.
- 6. Retailers will receive parts shipments referencing these used cars in inventory.
- 7. Five days after this parts shipment, the retailer will be debited back for the trade in amount for that VIN on the parts statement.

Subaru of America, Inc. reserves the right to change or cancel this program at any time, based on its sole discretion.

Any questions regarding this program should be directed to Lesley Cruz at 856-356-1228 or via e mail to <a href="mailto:lcruz@subaru.com">lcruz@subaru.com</a>.