



BULLETIN #94/2020 JUNE 25, 2020

_CORONAVIRUS UPDATE #79

NADA MESSAGE ON PAYCHECK PROTECTION PROGRAM

O'CONNOR & DREW ON PPP FORGIVENESS

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Message from NADA: The Paycheck Protection Program - Working to Keep Dealership Employees on the Payroll

The Paycheck Protection Program, created by Congress as part of the CARES Act, has been invaluable in keeping dealership employees on the payroll during this extremely challenging time for vehicle sales (more information about the tremendous benefits of the PPP to dealership employees is available [here](#)).

In fact, every dealer NADA has heard from who received a PPP loan has used it to keep employees on the payroll, and/or bring back furloughed or terminated employees, even though economic conditions would have otherwise forced those dealers to make drastic and permanent workforce reductions.

Furthermore, a great many dealers will end up devoting 100% of their PPP loans to payroll expenses.

This is exactly what Congress intended when it created the program, meaning the program is working exactly as it should.

Before COVID-19 hit, America's franchised dealerships – the majority of which are small business as defined by the Small Business Administration – collectively employed more than 1.1 million Americans, and provided those employees with \$69 billion in wages.

That's 1.1 million households and families in rural, suburban and urban communities across the country who depend the excellent pay and benefits they receive from their dealership jobs to pay their bills, contribute to their local and the national economy, and achieve the American dream.

Because of the PPP, those wages have remained intact for hundreds of thousands of those dealership employees across the U.S.



dealership employees across the U.S.

PPP Forgiveness Update from O'Connor & Drew

[The following information is provided by MSADA accounting partner, O'Connor & Drew.]

Updated Forgiveness Regulations: The SBA has released revised [guidance](#) on loan forgiveness to take into account the changes from the recent PPP Flexibility Act. As a reminder, some of the key changes from the Act included the ability to use a 24-week covered period, a decrease in required payroll cost percentage to 60% of forgiven expenses, moving the FTE & salary/wage safe harbor deadlines to 12/31/20 or earlier, and a new FTE exemption for borrowers impacted by compliance requirements involving COVID-19 safety.

The revised guidance confirms that borrowers may apply for forgiveness before the end of the covered period if the borrower has used all of the loan proceeds. We are reviewing the guidelines for information on how a borrower's FTE count is impacted when a borrower uses all loan proceeds before the end of the covered period. Any salary/wage forgiveness reduction adjustments must be prorated for 24 weeks if the borrower applies for forgiveness early.

Updated Forgiveness Application: A [revised forgiveness application](#) and [instructions](#) as well as a simplified ["EZ" version of the application](#) and [instructions](#) were released last week to implement the PPP Flexibility Act changes. The simplified form may be used by borrowers that do not have forgiveness reductions due to maintaining FTE & pay or by meeting certain safe harbors/exemptions. Sole proprietors without employees may also use the simplified form. O'Connor & Drew plans to update our latest forgiveness excel worksheet to account for these changes and other recent guidance.

Planning Considerations: As many borrowers approach the 8th week of their original covered period, now is a good time to evaluate where loan forgiveness stands. Do you need the 24-week covered period to spend all of your loan, or can you reach 100% forgiveness in 8 weeks? Are your FTE and salary levels more favorable during the 8-week covered period? Can you justify the FTE exemptions/safe harbors for the full 24-week period or only for 8 weeks? Please reach out to O'Connor & Drew or your advisors to address these and other questions as you plan ahead for PPP forgiveness.

FDA Advises Consumers Not To Use Hand Sanitizer Products Manufactured By Eskbiochem

On June 19, the U.S. Food and Drug Administration (FDA) issued the following information regarding certain hand sanitizers manufactured in Mexico:

The FDA advises consumers not to use any hand sanitizer manufactured by Eskbiochem SA de CV in Mexico, due to the potential presence of methanol (wood alcohol), a substance that can be toxic when absorbed through the skin or ingested. FDA has identified the following products manufactured by Eskbiochem:



- All-Clean Hand Sanitizer (NDC: 74589-002-01)
- Esk Biochem Hand Sanitizer (NDC: 74589-007-01)
- CleanCare NoGerm Advanced Hand Sanitizer 75% Alcohol (NDC: 74589-008-04)
- Lavar 70 Gel Hand Sanitizer (NDC: 74589-006-01)
- The Good Gel Antibacterial Gel Hand Sanitizer (NDC: 74589-010-10)
- CleanCare NoGerm Advanced Hand Sanitizer 80% Alcohol (NDC: 74589-005-03)
- CleanCare NoGerm Advanced Hand Sanitizer 75% Alcohol (NDC: 74589-009-01)
- CleanCare NoGerm Advanced Hand Sanitizer 80% Alcohol (NDC: 74589-003-01)
- Saniderm Advanced Hand Sanitizer (NDC: 74589-001-01)

FDA tested samples of Lavar Gel and CleanCare No Germ. Lavar Gel contains 81 percent (v/v) methanol and no ethyl alcohol, and CleanCare No Germ contains 28 percent (v/v) methanol. Methanol is not an acceptable ingredient for hand sanitizers and should not be used due to its toxic effects.

Consumers who have been exposed to hand sanitizer containing methanol should seek immediate treatment, which is critical for potential reversal of toxic effects of methanol poisoning. Substantial methanol exposure can result in nausea, vomiting, headache, blurred vision, permanent blindness, seizures, coma, permanent damage to the nervous system, or death. Although all persons using these products on their hands are at risk, young children who accidentally ingest these products and adolescents and adults who drink these products as an alcohol (ethanol) substitute, are most at risk for methanol poisoning.

On June 17, 2020, FDA contacted Eskbiochem to recommend the company remove its hand sanitizer products from the market due to the risks associated with methanol poisoning. To date, the company has not taken action to remove these potentially dangerous products from the market. Therefore, FDA recommends consumers stop using these hand sanitizers and dispose of them immediately in appropriate hazardous waste containers. Do not flush or pour these products down the drain.

FDA reminds consumers to wash their hands often with soap and water for at least 20 seconds, especially after going to the bathroom; before eating; and after coughing, sneezing, or blowing one's nose. If soap and water are not readily available, the [Centers for Disease Control and Prevention](#) (CDC) recommend consumers use an alcohol-based hand sanitizer that contains at least 60 percent ethanol.

FDA remains vigilant and will continue to take action when quality issues arise with hand sanitizers. Additionally, the agency is concerned with false and misleading claims for hand sanitizers, for example that they can provide prolonged protection such as 24-hours against viruses including COVID-19, since there is no evidence to support these claims.

To date, FDA is not aware of any reports of adverse events associated with these hand sanitizer products. FDA encourages health care professionals, consumers and patients to report adverse events or quality problems experienced with the use of hand sanitizers to FDA's [MedWatch Adverse Event Reporting](#) program:

- Complete and submit the report [online](#); or
- Download and complete the [form](#), then submit it via fax at 1-800-FDA-0178.



RMV Announces Haverhill B2B Service Center Opening on Monday, June 29

Due to the evolving situation with COVID-19 (Coronavirus) and in an effort to continue protecting RMV staff, customers, and business partners, the RMV is opening a new, dedicated B2B Center at the Haverhill Service Center on Monday, June 29, 2020.

This is in addition to the existing Attleboro, Boston (Haymarket), Braintree, Chicopee, Milford, and Wilmington dedicated B2B Service Centers. New IRP transactions will not be processed at the Haverhill B2B, but will still be conducted at the Milford and Wilmington Service Centers.

In following ‘social-distancing’ practices, these B2B facilities and services will be for *drop-off B2B transactions/bundles only*. You will not be allowed to wait in any of these locations for pickup. All RMV B2B facilities are open from 9:00 a.m. to 5:00 p.m., Monday through Friday.

The RMV continues to serve members of the general public on an appointment-only basis at additional locations, consolidated into the larger service centers, and has redeployed teams from nearby, closed offices to ensure staffing resources are available to assist customers and business partners like you.

Please note: Any B2B service requests appearing at RMV Service Centers that serve the general public will be redirected to the Attleboro, Boston (Haymarket), Braintree, Chicopee, Haverhill, Milford, and Wilmington RMVs.

In keeping with recommendations from the Massachusetts Department of Public Health, the RMV has also adopted enhanced cleaning practices for its facilities, purchased additional contactless hand sanitizer dispensing stations, issued anti-viral disinfectant wipes and individual-size hand sanitizers to certain employees, and expanded areas to be disinfected.

For more details on the RMV's response to COVID-19, please visit the RMV's [COVID-19 Information Page](#).

NADA COVID-19 Resources for Dealers

NADA has produced a tremendous amount of resources to help dealers and their operations during the Coronavirus pandemic. A prolific source of information has been the NADA regulatory affairs team, by way of guidance, analysis, interpretation and explanation. The regulatory affairs group has recently worked with the NADA public affairs team to reorganize all of the regulatory compliance materials on the NADA Coronavirus Hub. The trove of materials is now organized by “Information” and by “Key Documents.” Hot links lead you to every individual item/resource. The site and the links will be updated continuously. Bookmark the address, and click on the links as you need them for the latest versions of everything, such as CARES Act, SBA, PPP, Tax Relief, and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

Daily Massachusetts COVID-19 Tracker



The state's COVID-19 Dashboard with up-to-the-date data can be found [here](#).