



# News Capsule



The number of vehicles declared total losses could be increasing, according to information provider, Audatex. Factors driving up total losses are attributed to a decline in used vehicle prices, auto owners who are keeping their vehicles longer, and increased material costs. The upward trend in vehicles declared total losses could continue throughout 2009.

GMAC, the financing unit of General Motors, is struggling to survive amidst deepening financial losses. The auto finance segment of GMAC reportedly lost \$294 million during the third quarter, the home financing division lost \$1.9 billion. GMAC may convert its operating structure into a bank holding company in hopes of becoming eligible for the \$700 billion U.S. financial rescue package. GMAC is also tightening its lending requirements by extending financing only to applicants with high credit ratings.

The Nebraska Autobody Association in conjunction with the Society of Collision Repair Specialists will offer a new credit card processing program for NABA members, which may lower costs for Nebraska shops. Interested parties can learn more about the program in an online presentation scheduled for 2:30 p.m. on Thursday, November 20. Please email <mailto:nz41254@alltel.net> for information on how to join this presentation. Shop owners, office managers and bookkeepers are invited to attend.

Alan Greenspan gave a gloomy assessment of the U.S. economy during recent congressional testimony. The former Federal Reserve Chairman called the present economic crisis a "once-in-a-century" event that would result in significant layoffs and unemployment. Greenspan did not foresee any relief for the economic woes until "many months in the future." Despite the global financial crisis inflation pressures have eased and the dollar is holding up well compared to other currencies. The greenback's newly found strength is attributed to investors that are sloughing off riskier assets for the safety of the greenback. Another bright spot in the economy is the price of gasoline, which continues to moderate, providing much-needed break for strained family budgets.

The U.S. Treasury Department is considering providing relief to some state-regulated insurance companies as part of the \$700 billion government bailout package. The Treasury appointed a team to determine if aid should be given to the state-regulated entities in a manner that does not 'hit regulatory tripwires'.

The Nebraska Autobody Association encourages its members to complete the industry issues survey mailed with the *Surgeons of Steel*. This survey is especially important considering the rapidly changing economic climate. An online survey is available at <http://www.nebraskaautobody.com/surveys/2008/issues.htm>

Detroit automakers are meeting with federal officials to ask for a second \$25-billion economic aid program that would help struggling U.S. automakers survive the economic downturn and save jobs. The automakers first \$25-billion aid package was structured to allow automakers to retool for manufacturing lightweight, fuel-efficient vehicles. The second stimulus package, in the form of low-interest loans, would help automakers survive and save thousands of jobs. While sales forecasts for automobiles are gloomy, Automakers remain optimistic about the Obama administration, which is expected to make Detroit's struggling auto industry one of its highest priorities.

Makers of automotive tools and providers of automotive services could benefit the current economic slump including tighter credit markets. Auto owners, who, according to a J.D. Powers survey, are keeping their cars an average of four months longer, could drive up associated sales in automotive tools, supplies and maintenance services.

## Fight For What's Right Join the Nebraska Autobody Association

Membership application available at  
<http://www.nebraskaautobody.com/filedownloads/memberap1&2.pdf>

*The information in this news capsule is obtained and condensed from sources believed to be accurate and reliable but readers should consult with an appropriate business professional before acting on information contained herein. Information contained herein does not necessarily reflect the opinions of NABA, its leadership or management. Summary prepared by Norbert Zaenglein.*