



Virginia Auto Law

Is There a Stalled Recovery or Not?

By: Bill Lehner. *This was posted Wednesday, May 11th, 2011*

In a recent [Wells Fargo](#) "[Economic Financial Commentary](#)" (by Paulson at WellsCap), the commentator takes the position that although the on-going economic recovery is slower than recoveries from down-slides of twenty-five or more years ago, it is comparable to other recoveries since then. We had better get used to it and not wait for the "boom", because those who do so may get left on the sidelines.

That goes for motor vehicle dealers who are reluctant to take advantage of [financial institutions'](#) increasing willingness to lend to dealers, especially for much urged (by franchisors) capital improvements. Some large auto groups have even said they expect that reluctance by some will lead to some good dealership acquisitions. That may spell some work in the future for [Virginia motor vehicle lawyers](#).

Also, certain large lenders are beginning to, once again, open up to near-prime and [sub-prime](#) deals for cash-strapped customers. This move back to less-than-prime lending is not to help dealers move iron, or to assist marginal credit customers, but because there is more profit for the lender in taking a risk as opposed to the thin profit margins for the always available "super-prime" loans.

We all must, however, take a lesson from the painfully disastrous housing market collapse and not be so quick to lend, or to borrow. I have not heard any political candidates, lately, promise "a chicken in every pot" or "a new car in every garage" or at every curb!

How is the availability of credit affecting your business purchases right now?

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