

## Virginia Auto Law

### Dealer Credit Gauge on Empty

**By: Bill Lehner.** *This was posted Tuesday, September 1st, 2009*

Despite a program by the [Small Business Administration](#) to pump funds into credit facilities for car dealers, [CNN reported yesterday](#) that few banks are taking the hint... just one, in fact.

Following on the heels of the cash tied up in the [C. A. R. S. \(Cash for Clunkers\)](#) program, this means serious troubles for new car buyers. With less money available for replacing inventory and a new model year rolling out, there could be a lot of empty spaces on the car lot.

Even large, typically well-funded dealers, could be affected. For the larger new car dealers, the slow DOT payments from the C4C exacerbates the problem. For smaller and independent (used) car dealers, many former financing sources shut down in the last year, and many other banks and financing sources still have not loosened purse strings, in spite of “stimulus” dollars received.

What more could the SBA do to get money flowing to dealers?

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