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Clunker deals bring wait, worry



Mark Vergari/The Journal News

Wai Wong of Rye leans against his 1996 Chevrolet Suburban outside of his home Tuesday. Wong is trading it in for a new Toyota Highlander through the Cash for Clunkers program, but the trade is being held up as the dealer awaits money from the government.

Federal program puts buyers, sellers of new vehicles in a tight spot

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Wai Wong of Rye was one of the first people to line up for Cash for Clunkers last month with hopes of saving \$4,500 on a new vehicle by trading in his 1996 Chevy Suburban.

But more than two weeks after signing a deal to buy a new Toyota Highlander, Wong is still behind

the wheel of his old car.

Wong said New Rochelle Toyota is refusing to give him the keys to his new SUV until it receives the rebate from the Cash for Clunkers program, which is officially called the Car Allowance Rebate System, or CARS.

"I'm in limbo," Wong said. "They made me sign the sales agreement. They took my paperwork. I was under the impression it's a go. Now, I'm trapped. I just want to get my car."

Wong isn't the only car buyer who has been stalled in the middle of a sale.

Some dealers in the Lower Hud-

Waiting for your car?

The Cars.gov Web site is urging consumers to report dealers that do not allow them to take possession of a new car purchased under the Cash for Clunkers program using the CARS hotline at 866-CAR-7861.

son Valley are holding onto new cars purchased under Cash for Clunkers until they get their government rebates because they fear the deals won't be approved and

they will be out the money.

Cash for Clunkers gives consumers incentives of \$3,500 to \$4,500 when they trade in a vehicle for a new one with higher fuel economy.

Congress tripled the allocation for the program to \$3 billion after the first \$1 billion in rebates was spoken for within a week.

As of yesterday, the National Highway Traffic Safety Administration, or NHTSA, reported that dealers have applied for \$1.3 billion in incentives.

Bruce Glassman, a manager at

SEE CARS, 8A

CARS: Buyers, sellers complain about Cash for Clunkers deals

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New Rochelle Toyota, said he hasn't received approval for any of the 100 deals he's submitted so far and is unwilling to deliver the vehicles until he does.

Glassman said it's unfair that the government expects the dealers to give customers \$3,500 to \$4,500 off a vehicle and wait to be reimbursed.

"If you take 100 deals times \$4,000, that's \$400,000 they are asking us to lay out. We don't know if that customer will be approved for their clunker," he said. "We've told our customers: Give us the \$4,500 and we'll refund it to you."

That offer didn't sit well with Wong, who has already turned over the title to his Suburban to New Rochelle Toyota.

"I looked at them and said, 'Wow, do you think I'm that

stupid? You're in business to sell a car. If you can't commit to taking a risk, you shouldn't sell any,'" Wong said.

Eric Bolton, a spokesman for the NHTSA, said dealers who sign a Cash for Clunkers deal but don't complete the sale aren't following rules posted on the CARS.gov Web site.

"You cannot do that. You cannot claim a reimbursement for a deal that has not been done," Bolton said. "In order to be reimbursed, you have to verify you have taken in a clunker and delivered a vehicle eligible for a rebate to a customer."

Just yesterday, a new set of questions and answers were added to the CARS.gov Web site to educate consumers about their rights if a dealership suggests a deal contingent upon a rebate reimbursement.

For instance, dealers can-

not force consumers to sign an agreement to pay back the credit if the deal is rejected.

The site also says that dealers must deliver the cars if they are in stock, a practice that hasn't been followed everywhere.

William LaScala of Yorktown is still waiting to pick up the Honda Civic he purchased Aug. 4, when he traded in a 1990 Mercury Grand Marquis as part of Cash for Clunkers.

LaScala said he turned over his clunker and its license plates to Curry Honda Yorktown and paid the full \$13,700 he owed on the Civic after the Clunkers rebate.

"I still haven't received my car," he said. "I was thinking if I didn't get it by Friday, I was going to bring the policeman over there and say they stole my car."

Dealers who are reluctant to deliver cars say consumers

shouldn't blame them but instead point the finger at the government, which has been slow in approving deals.

Bolton, the NHTSA spokesman, said he could not say how many of the 316,189 applications submitted by dealers have been approved. All of the local dealers contacted for this report say they are still waiting for any word from the government.

Frank Castelli, manager at Vail Buick Pontiac GMC in Bedford Hills, said he's made about seven Clunkers deals but hasn't delivered any cars.

"Once we get the funding, we'll deliver. The customers are understanding and patient. Right upfront, we tell the people what we are dealing with and that it's a new program," he said. "We're just sitting patiently."

Lou Roberti, owner of Arroway Chevrolet Saab Geo in Katonah, said he hasn't been

paid. "Not a penny. We haven't gotten any approvals or rejections yet and we're at 10 days. It's getting very costly," he said.

Roberti has delivered half of the 30 cars he's sold under the Clunkers program.

"As of right now, the government owes me \$63,000. As for the other 15, I'm not pushing to deliver them," he said.

"If we sell a new car, we make \$500 in profit. It doesn't make sense for me to be on the line for \$4,500 for \$500 profit. That's the scary part of it," he said.

Ed Abbruzzese at Grand Prize Cadillac Buick Pontiac GMC in Nanuet said he's delivered the 20 cars he's sold under Clunkers, even though he hasn't received the rebates.

"We decided to move forward with delivering the customers the cars and putting

the money upfront for the customer. We're a little bit disappointed we haven't seen reimbursements yet, but we're confident we're going to see that money," he said. "There is such a large quantity of these. There was such pent-up demand. I'm sure they are going through a sea of paperwork."

Dwight McGuirk, owner of Smith Cairns Ford of White Plains, said he's confident all 60 of the Clunkers deals he made will go through and has delivered the cars.

"One thing I'm pretty diligent about is paperwork. I'm very comfortable the cars I've delivered meet the criteria set by the government," he said. "If I'm comfortable with it, I might as well get rid of the car. Buying a car is supposed to be an enjoyable experience. I want the customer to come back and buy a second time."