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Glimmers of hope

by Gil Van Over

According to the press, and therefore it must be true, our economy has been in a disastrous downward spiral since Mr. Obama was nominated. It's about time for some good news.

Admittedly, all of this is anecdotal, as told to me by several dealers over the last few days.

Some Lenders are Back in the Game

One of the captives and one of the independents who had effectively shut down their originations in the fourth quarter and continuing into the first part of 2009 are now starting to buy paper again like they were a year ago. According to their reps in the field, collections are coming back into line and they are ready to buy again.

Additionally, credit unions around the country continue to fill a void left by many of the independent banks and are helping dealers to deliver cars.

Sales are Improving

Many dealers report that February sales exceeded January sales and that March sales will exceed February sales.

While this is how the year traditionally starts, and some would pooh-pooh this trend, it is refreshing to hear that some dealers are back on the traditional track.

Profits are Returning

Most of the dealer I have chatted with over the last few weeks reported a return to profitability in February and expect to show a marked improvement in March's profits.

The drop in sales and the drop off in credit availability did not occur overnight and the return to business as usual will not happen as quickly. Just the same, it is refreshing to find nuggets of hope.

Gil Van Over is the President and founder of gvo3 & Associates, a nationally recognized F&I, Sales and Red Flag Rule compliance consulting and training firm (www.gvo3.com).

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