



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

FOR IMMEDIATE RELEASE

Will the Car Allowance Rebate System (CARS) Help You?

EDWARDSVILLE, IL, July 23, 2009 - A new program, which the National Highway Traffic Safety Administration (NHTSA) is calling the Car Allowance Rebate System (CARS), has been signed into law.

Primarily, the law is designed to give individuals and businesses a cash incentive to trade in older gas-hogging vehicles for new, more fuel-efficient ones. Rules pertaining to the law are uncertain at this time, but are to be published by NHTSA within 30 days following the law's enactment.

What *is* currently known:

- All new-car dealers will be required by the federal government to register for participation in the program.
- The incentive takes the form of a credit of \$3,500 or \$4,500, depending on the type of vehicle traded in and the fuel efficiency of the vehicle purchased. (This program is only of value if you have a vehicle which has a trade in value of less than the credit.)
- The manufacturer's suggested retail price of the new vehicle you purchase cannot exceed \$45,000.
- The new vehicle would have to be purchased by November 1, 2009 -- *or before funds allocated to the program run out.*
- Your trade-in vehicle must have been manufactured less than 25 years before the date you trade it in ... have a "new" combined city/highway fuel economy of 18 miles per gallon or less ... be in drivable condition ... and must have been continuously insured and registered to the same owner for the full year preceding the trade-in. (Very large pickup trucks and cargo vans have different requirements.)

The program would also apply to the lease a new vehicle, provided the lease period is at least five years.

The program requires the scrapping of your eligible trade-in vehicle, and the dealer must disclose to you an estimate of the scrap value of your trade-in. The scrap value, however minimal, will be in addition to the credit.

The CARS Act requires that, by July 24, NHTSA set up a location on the program Web site, <http://www.cars.gov>, to assist consumers in determining whether their vehicle is an eligible trade-in vehicle.

This news release is issued as a service of the Federation of American Consumers and Travelers (FACT). FACT was formed under the not-for-profit corporation laws of the District of Columbia in 1984, and currently serves more than 1 million consumers nationwide. Additional information on FACT may be found in the *Encyclopedia of Associations*, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from [medical insurance](#) and [dental discounts](#) to [prescription drug savings](#), [scholarships](#) and [consumer information](#). FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025.