

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA-2009-]

Consumer Assistance to Recycle and Save Act of 2009

AGENCY: National Highway Traffic Safety Administration (NHTSA); Department of Transportation

ACTION: Summary of the Consumer Assistance to Recycle and Save Act of 2009 and notice of upcoming rulemaking proceeding.

SUMMARY: To inform consumers, dealers, and other interested persons about the Consumer Assistance to Recycle and Save Act of 2009 (CARS Act or the Act), this agency is publishing a brief summary of the Act's key features in question and answer format. The Act establishes a new program under which the government will provide \$3,500 or \$4,500 to help consumers purchase or lease a new, more fuel efficient car, van, sport utility vehicle or pickup truck from a participating dealer when they trade in an old, less fuel efficient vehicle. This notice also describes the steps that the agency is taking to enable it to meet its twin responsibilities under the Act: (1) establishing an effective program for promptly making money available under the CARS Act for eligible purchases and leases, and (2) exercising due diligence in guarding against the possibility of fraud.

SUPPLEMENTARY INFORMATION:

About the CARS Act

On June 24, the President signed the Consumer Assistance to Recycle and Save Act of 2009 into law.¹ The Act directs NHTSA to set up a program in which owners of vehicles meeting statutorily specified criteria may receive a monetary credit for trading in their vehicle and purchasing or leasing certain new vehicles. If all of the conditions of eligibility are met, NHTSA would make an electronic payment to the dealer equal to the amount of the credit after the dealer provides NHTSA with sufficient documentation relating to the transaction. The vehicle that was traded in would then be disposed of (i.e., crushed or shredded) in a manner that ensures it would never be used again, although parts of the vehicle, other than the engine block and drive train,² may be sold prior to disposal.

The Act requires NHTSA to issue final regulations implementing the CARS Act within 30 days after the enactment of the Act, i.e., by July 24. The nearness of this statutory deadline precludes the issuance of a notice of proposed rulemaking seeking public comment. The regulations must, among other things:

- (1) set up a means for registering dealers to participate in the program;
- (2) set forth the procedures for reimbursing dealers participating in the program;
- (3) require that dealers use the credit as an addition to, instead of as a substitute for, other rebates and discounts advertised by the dealer or offered by the manufacturer;
- (4) require that dealers disclose to the person trading in an eligible vehicle the best estimate of the scrappage value of such vehicle and authorize dealers to retain \$50 of the amount paid for the scrappage value as payment for the administrative costs of the program;³

¹ The CARS Act is part (Title XIII) of the Supplemental Appropriations Act, Public Law 111-32, 123 Stat. 1859.

² Under certain conditions, which are explained later in this notice, the drive train too may be sold.

³ Allocation of any remaining scrappage fees is subject to negotiation between the dealer and purchaser.

- (5) establish, in consultation with the Environmental Protection Agency (EPA), requirements and procedures for the disposal of eligible trade-in vehicles; and
- (6) provide for a means to enforce penalties for violations of the program requirements.

NHTSA must also, not later than July 24, and in consultation with the EPA, make available on an Internet website information about the program, including instructions on

- how to determine if a vehicle is an eligible trade-in vehicle;
- how to participate in the program;
- how to determine if a dealer is participating in the program; as well as

a comprehensive list, by make and model, of eligible new vehicles that may be purchased as part of the program.

Because NHTSA will need several weeks to develop and issue a final rule implementing the Act, we are issuing this notice providing general information about the requirements of the CARS Act. NHTSA has already established a website, www.cars.gov, which provides overview information about the program. The agency will periodically update that information. To address additional questions regarding the CARS program, NHTSA has expanded the capacity of the NHTSA hotline (888) 327-4236, TTY: (800) 424-9153 (available Monday-Friday, 8 am to 10 pm). Beginning June 27, the number will be available for CARS calls on Saturdays 10 am – 8 pm. Beginning July 1, we will have a new number, 1-866-CAR-7891, dedicated to calls about the program.

As appropriate in taking these steps, NHTSA is actively consulting with the EPA.

What is the CARS program?

The Car Allowance Rebate System is a new program from the government that will help you pay for a new, more fuel-efficient vehicle from a participating dealer when you trade in a less fuel efficient one.

When does the CARS program begin; how will NHTSA handle trade-ins that are made between July 1 and the issuance of the final rule?

While the CARS Act makes transactions on and after July 1 potentially eligible for credits under the CARS program, interested dealers and consumers may want to wait until all of the detailed issues that must be addressed in the implementing regulations are resolved and the final rule is issued. Issuance will occur around July 23. At that point, NHTSA will have in place detailed provisions about establishing eligibility and a system to ensure the prompt payment of money for credits used under the CARS program.

If dealer choose to structure a transaction before the final rule is issued, they will bear the risks associated with later demonstrating that the transaction meets all of the specifications of the final rule. The dealers should also give the credit to the consumer at the time of such transaction. The dealer would be reimbursed by NHTSA later if the dealer registers and submits documentation sufficient to demonstrate that the transaction was an eligible one, that the traded-in vehicle was properly disposed of, and that all requirements in the final rule were met.

When does the CARS program end?

The CARS Act provides two limitations on the duration of the program. First, the program ends November 1, 2009. Second, NHTSA has been appropriated a fixed sum of money (\$1 billion) to fund the program. Thus, under current law, the program will end on November 1, 2009, or when the appropriated funds are exhausted, whichever occurs first. Consumers and dealers are advised that, in the event NHTSA exhausts funds before the end of the program,

NHTSA will be unable to reimburse dealers for some otherwise eligible transactions, even if the transactions have already occurred. NHTSA will develop a method of providing consumers and dealers with information regarding the amount of remaining program funds.

Do I need to obtain a paper voucher that I can redeem when I go to purchase or lease a new vehicle?

No. Under the CARS Act, consumers will not receive vouchers or money directly from the government. Instead, automobile dealers would credit the applicable amount against the cost of purchasing or leasing an eligible new vehicle and then apply to NHTSA for reimbursement. NHTSA would then reimburse dealers for the amount of the credit through an electronic transfer of funds, assuming that the agency determines that all program requirements have been met.

Is the credit subject to being taxed as income to the consumers or dealers that participate in the program?

The CARS Act expressly provides that the credit is not income for the consumer. However, the credit will be considered as income for the dealer.

How do I know which dealers are participating in the CARS program?

The CARS Act requires that NHTSA set up a system for registering dealers to participate in the program and make available on the Internet information that will enable the public to determine whether a dealer is participating in the program. We are working to set up such a system and expect to make that information available on the program's website, <http://www.cars.gov>, which will be accessible directly or from a link on NHTSA's home page, <http://www.nhtsa.gov>. Consumers can also contact dealers to ask whether they plan to participate in the program. The CARS Act requires that dealers be licensed by their respective

state for the sale of new automobiles in order for them to participate in the program. NHTSA will complete the registration process as soon as possible.

What vehicles are eligible to be traded in under the CARS program?

The CARS Act establishes four criteria for eligible trade-in vehicles:

- (1) The trade-in vehicle must be in drivable condition;
- (2) The trade-in vehicle must have been continuously insured, in accordance with State law, and registered in the same owner's name for the one-year period immediately prior to the trade in;
- (3) The trade-in vehicle must have been manufactured not earlier than 25 years before the date of trade in⁴ and, in the case of a category 3 vehicle, must also have been manufactured not later than model year 2001; and
- (4) In the case of a passenger automobile, category 1 truck, and category 2 truck, as those terms are defined in the Act, the vehicle must have a combined fuel economy value of 18 miles per gallon or less.⁵ (These truck categories are explained below.)

Vehicles that do not meet all four criteria are not eligible to be traded in under the CARS program.

How can I find out when my trade in vehicle was manufactured?

The month and year of manufacture (e.g., 1-96 (January 1996)) appear on the safety standard certification label that is located on the frame or edge of the driver's door in most vehicles. In the sample label below, that information is located in the upper right hand corner. It may appear in a different location on the label on your vehicle.

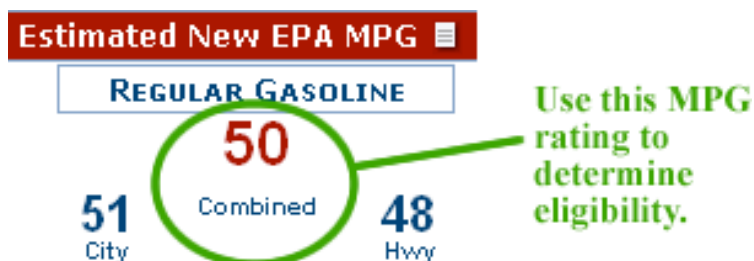
⁴ This means that all pre-model year 1984 vehicles, and most model year 1984 vehicles, are not eligible as trade in vehicles.

⁵ There is no minimum for category 3 trucks because they do not have any miles-per-gallon ratings.

MFD BY: USA PASSENGER CAR CO., INC.			DATE OF MFG: 03/09
GVWR 4575 LB	GAWR F 2557 LB	GAWR R 2061 LB	
GVWR 2075 KG	GAWR F 1160 KG	GAWR R 935 KG	
THIS VEHICLE CONFORMS TO ALL APPLICABLE FEDERAL MOTOR VEHICLE SAFETY, BUMPER, AND THEFT PREVENTION STANDARDS IN EFFECT ON THE DATE OF MANUFACTURE SHOWN ABOVE.			
VIN: XXXXXXXXXXXXXXXXXXXX			TYPE: PASSENGER CAR

How can I determine the fuel economy of my trade in vehicle?

The CARS Act requires that, by July 24, NHTSA set up a location on the program website, <http://www.cars.gov>, to assist consumers in determining whether their vehicle is an eligible trade-in vehicle. Until that part of the website is operational, consumers can visit <http://www.fueleconomy.gov/feg/findacar.htm> and search for their vehicle to find its combined fuel economy value.⁶ When searching that website, consumers will need to know their vehicle's model year, make, model, engine size, and transmission type. MPG requirements for model year 1985 and newer vehicles are based on the Combined "Estimated New EPA MPG" as given in the [Find a Car](#) section at www.fueleconomy.gov.⁷ See the illustration below. Data for model year 1984 vehicles will be added to that section soon.



⁶ The fuel economy information available through <http://www.cars.gov> will be the same as that now available only through <http://www.fueleconomy.gov>.

⁷ It is important to note that the Environmental Protection Agency (EPA) changed the way it estimated fuel economy beginning in model year 2008. The new estimated combined EPA fuel economy for a trade-in vehicle is likely to be less than the value that was listed on the window sticker (Monroney label) of the vehicle when it was sold as a new vehicle. EPA has converted all MPG estimates to the new ratings system to help consumers compare the MPG of older and newer cars. The converted estimates are referred to as "new" on [fueleconomy.gov](http://www.fueleconomy.gov).

What new vehicles may be acquired under the CARS program?

The CARS Act applies to new vehicles. Thus, used vehicles do not qualify under the program.

The new vehicle must have a manufacturer's suggested retail price of not more than \$45,000. That price appears on the window sticker on new vehicles.

The new vehicle must also achieve minimum combined fuel economy levels.⁸ For passenger automobiles, the new vehicle must have a combined fuel economy value of at least 22 miles per gallon. For category 1 trucks, the new vehicle must have a combined fuel economy value of at least 18 miles per gallon. For category 2 trucks, the new vehicle must have a combined fuel economy value of at least 15 miles per gallon. Category 3 trucks have no minimum fuel economy requirement; however, there are special requirements that apply to the purchase of category 3 vehicles.

As noted above, the CARS Act also requires that NHTSA make available on an Internet website a comprehensive list of new vehicles that meet the requirements of the program. Until that information is posted on the program's website, consumers may determine whether a new vehicle meets the fuel economy requirements of the program in two ways. First, the combined fuel economy of a new vehicle will be posted under the heading "Combined Fuel Economy" on the window sticker ("Monroney label") of a new vehicle. Second, you may also find the combined fuel economy value of a new vehicle by visiting <http://www.fueleconomy.gov/feg/findacar.htm> and searching for their vehicle to find its

⁸ A vehicle's combined fuel economy is a weighted average of its city fuel economy and its highway fuel economy.

combined fuel economy value. When searching that website, consumers will need to know their vehicle's model year, make, model, engine size, and transmission type.

May I lease, instead of purchase, a vehicle under the CARS program?

Yes. The credit given for trading in an eligible vehicle may be used to offset the cost of leasing a new vehicle. However, the CARS Act requires that any lease under the program be for a period of at least five years.

How do I determine whether the vehicle I want to purchase or lease is a passenger automobile or a category 1, 2, or 3 truck?

The CARS Act divides the eligible vehicles into four groups: passenger automobiles; category 1 trucks; category 2 trucks; and category 3 trucks.⁹ NHTSA will soon publish a list of the vehicles that fall into these groups. For the present, we describe here the statutory definitions, give examples of types of vehicles that satisfy those definitions, and refer readers to the large table at the end of this notice.

The term "passenger automobile" and its definition are borrowed from the fuel economy statute. The definition excludes from that term (1) vehicles that NHTSA has determined are not manufactured primarily for transporting persons and (2) vehicles that are capable of off-highway operation. Vehicles not manufactured primarily for transporting persons include pickup trucks and certain vehicles that permit expanded use of the vehicle for cargo-carrying purposes. See 49

⁹ Section 1302(i) of the CARS Act defines those categories largely with reference to statutory categories of vehicles subject to the Corporate Average Fuel Economy (CAFE) Standards as follows:

- (1) the term "passenger automobile" means a passenger automobile, as defined in section 32901(a)(18) of title 49, United States Code, that has a combined fuel economy value of at least 22 miles per gallon;
- (2) the term "category 1 truck" means a nonpassenger automobile, as defined in section 32901(a)(17) of title 49, United States Code, that has a combined fuel economy value of at least 18 miles per gallon, except that such term does not include a category 2 truck;
- (3) the term "category 2 truck" means a large van or a large pickup, as categorized by the Secretary using the method used by the Environmental Protection Agency and described in the report entitled 'Light-Duty Automotive Technology and Fuel Economy Trends: 1975 through 2008';⁹
- (4) the term "category 3 truck" means a work truck, as defined in section 32901(a)(19) of title 49, United States Code.

CFR 523.5(a). Under NHTSA's regulations (49 CFR 523.5(b)), there are two groups of vehicles with capability of off-highway operation. The first includes vehicles that have 4-wheel drive and have at least four out of five specified physical characteristics relating to ground clearance. The second includes vehicles that are rated at more than 6,000 pounds gross vehicle weight and have at least four out of five specified physical characteristics relating to ground clearance, but do not have 4-wheel drive. Passenger automobiles are what are commonly known as passenger cars.

A category 1 truck is a nonpassenger automobile. This category includes sport utility vehicles (SUVs), small and medium pickup trucks and small and medium passenger and cargo vans.¹⁰

A category 2 truck is a large van or a large pickup truck, based upon the length of the wheelbase (more than 115 inches for pickup trucks and more than 124 inches for vans). Note: some pickup trucks and cargo vans exceeding these thresholds are treated as category 3 trucks instead of category 2 trucks.

A category 3 truck is a work truck and is rated between 8,500 and 10,000 pounds gross vehicle weight. This category includes very large pickup trucks (those with cargo beds 72 inches or more in length) and very large cargo vans.

By July 24, NHTSA will make available on an Internet website a comprehensive list of the trucks that fall into these categories and meet the requirements of the program.

What is the value of the credit for the purchase or lease of a new passenger car?

¹⁰ As noted in a preceding footnote, the statutory definition of the term "category 2 truck" is based on the categorization method used by the Environmental Protection Agency and described in the report entitled "Light-Duty Automotive Technology and Fuel Economy Trends: 1975 through 2008." Based on that method of categorization, large vans and pickup trucks, which would otherwise fall within category 1, instead fall within category 2. The method is based primarily on published wheelbase data according to the following criteria:

	Pickup	Van	SUV
Small	Less than 105"	Less than 109"	Less than 100"
Midsized	105" to 115"	109" to 124"	100" to 110"
Large	More than 115"	More than 124"	More than 110"

The value of the credit for the purchase or lease of a new passenger car depends upon the difference between the combined fuel economy of the vehicle that is traded in and that of the new vehicle that is purchased or leased. If the new vehicle has a combined fuel economy that is at least 4, but less than 10, miles per gallon higher than the traded-in vehicle, the credit is \$3,500. If the new vehicle has a combined fuel economy value that is at least 10 miles per gallon higher than the traded-in vehicle, the credit is \$4,500.

What is the value of the credit for the purchase or lease of a new van, pickup truck or SUV?

The value of the credit given for the purchase or lease of a category 1 or 2 truck also generally depends on the difference between the combined fuel economy of the vehicle that is traded in and that of the new vehicle that is purchased or leased. If the new vehicle is a category 1 truck that has a combined fuel economy value that is at least 2, but less than 5, miles per gallon higher than the traded-in vehicle, the credit is \$3,500. If the new category 1 truck has a combined fuel economy value that is at least 5 miles per gallon higher than the traded-in vehicle, the credit is \$4,500.

If both the new vehicle and the traded-in vehicle are category 2 trucks and the combined fuel economy value of the new vehicle is at least 1, but less than 2, miles per gallon higher than the combined fuel economy value of the traded in vehicle, the credit is \$3,500. If both the new vehicle and the traded-in vehicle are category 2 trucks and the combined fuel economy of the new vehicle is at least 2 miles per gallon higher than that of the traded-in vehicle, the credit is \$4,500. A \$3,500 credit applies to the purchase or lease of a category 2 truck if the trade-in vehicle is a category 3 (work) truck that was manufactured not later than model year 2001, but not earlier than 25 years before the date of the trade in.

What rules apply to new work trucks?

A work truck, which is called a category 3 truck under the CARS Act, is subject to special rules. Work trucks are not rated for fuel economy by the EPA. Thus, the eligibility of work trucks for the program does not depend on combined fuel economy. Instead, work trucks may only be traded in under the program if they were manufactured not later than model year 2001 and not earlier than 25 years before the date of the trade in. In addition, work trucks may only be traded in for the purchase of a category 2 truck or another category 3 truck that is of similar size or smaller than the traded-in vehicle. Finally, the Act provides only for a \$3,500 credit for trading in a work truck.

The CARS Act limits the amount of funds that can be used to provide credits for purchases or leases of work trucks. Only 7.5 percent of the funds appropriated for the program may be used for credits for work trucks. Once that limit is reached, NHTSA will stop making payments for these transactions. NHTSA will keep the public informed as to the funds that remain available for these credits.

Can I use the credit in combination with manufacturer rebates or discounts?

The CARS Act requires the dealer to use the credit under the CARS program in addition to any rebates or discounts advertised by the dealer or offered by the new vehicle's manufacturer. The dealer may not use the credit to offset these rebates and discounts.

Can I combine this credit with other government incentives?

Yes. You can combine this with other State and Federal incentives, such as the hybrid vehicle credit. For information on this credit, go to http://www.fueleconomy.gov/Feg/tax_hybrid.shtml

May I receive or use more than one credit under the CARS program?

No, the CARS Act specifies that not more than one credit may be issued to a single person, not more than one credit may be issued for joint registered owners of a single eligible trade-in vehicle, and that only one credit under this program may be applied toward the purchase or lease of any single new vehicle.

Can dealers charge me a fee for buying or leasing a vehicle under the CARS program?

While dealers can charge their normal types of fees, the CARS Act specifically prohibits dealers from charging a fee for purchasing or leasing a vehicle under the program.

What will I need to bring to the dealer in order to participate in the program?

You should bring documentation establishing the identity of the person who currently owns the vehicle, preferably the title of the vehicle, and documentary proof that the vehicle “has been continuously insured consistent with the applicable State law and registered to the same owner for a period of not less than 1 year immediately prior to the trade-in.”¹¹ The final rule will specify what types of documentation would be acceptable.

What happens to the vehicle I trade in?

The CARS Act requires that the trade-in vehicle be crushed or shredded so that it will not be resold for use in the United States or elsewhere as an automobile. The entity crushing or shredding the vehicles in this manner will be allowed to sell some parts of the vehicle prior to crushing or shredding it, but these parts cannot include the engine or the drive train.¹²

How and when will NHTSA provide more details about the CARS program?

The rule implementing the CARS Act will provide specific detail regarding the process for registering dealers, the manner in which dealers will be reimbursed for eligible transactions, the requirements and procedures for disposing of trade-in vehicles, and the means for enforcing

¹¹ See section 1302(i)(7) of the CARS Act.

¹² However, if “the transmission, drive shaft, or rear end are sold as separate parts,” the drive train may be sold.

the program's requirements. NHTSA must issue those regulations on or before July 24, 2009, legislation.

In the final rule, NHTSA will seek to balance the need to provide prompt payment to dealers with the need to prevent fraud and preserve records for the purposes of enforcing program requirements. NHTSA is meeting with a variety of groups to ensure that a proper balance is struck. NHTSA will also need to set up and staff a new office to administer the CARS program.

Why is fuel economy important?

Buying a fuel efficient vehicle is important because it can:

- Save you money

You can reduce fuel costs each year by choosing the most efficient vehicle that meets your needs.

- Reduce greenhouse gas emissions

Carbon dioxide (CO₂) from burning gasoline and diesel contributes to global climate change. You can do your part to reduce climate change by reducing your carbon footprint.

- Improve energy security and reduce oil dependence costs

Our dependence on oil makes us vulnerable to oil market manipulation and price shocks.

- Increase energy sustainability

Oil is a non-renewable resource, and we cannot sustain our current rate of use indefinitely. Using it wisely now allows us time to find alternative technologies and fuels that will be more sustainable.

For more information on the importance of better fuel economy, go to

<http://www.fueleconomy.gov/feg/why.shtml>. For the 2009 Fuel Economy Guide, go to

<http://www.fueleconomy.gov/feg/FEG2009.pdf>.

What will NHTSA do to guard against fraud and ensure that the CARS payments go to the right people?

NHTSA is aware that some organizations have already begun to convey incorrect information about how dealers and individuals can participate in the CARS program. The only official site providing information on this system is the agency's website, www.cars.gov. Note that the suffix ".gov" indicates it is an official government site. Other sites may or may not have correct information, but none plays an official role in this program. We urge great caution in providing any information over the Internet to any website that purports to be related to this program. The CARS program will not request electronic submission of information from individual consumers.

NHTSA is working to create a system that will provide payments only for eligible transactions under the CARS program. Under the law, NHTSA will make electronic funds transfers only to a registered dealer that has submitted the required proof of a completely eligible transaction. We will develop a registration system to identify licensed, franchised new vehicle dealers and to obtain the banking and tax identification information necessary for making secure electronic transfers. Only registered dealers will have access to the payment system.

As noted above, at the time of the transaction at the dealer, the consumer who is trading in the "trade-in vehicle" will need to provide evidence of ownership of the vehicle and proof that the vehicle has been continuously registered and insured to the same person throughout the last 12 months. To prevent repeated use of the program by the same person, we anticipate that the

consumer will need to provide evidence of identity, such as a driver's license, and permit that information to become part of the documentation of the transaction.

The dealer will have every reason to avoid entering into a transaction for which the dealer cannot be reimbursed under this program. The dealer will be expected to verify that the vehicle being traded in and the vehicle being purchased or leased are both eligible under the program. This will entail, with regard to the trade-in, making sure that the registration and insurance information is accurate and that the vehicle is in drivable condition. For both vehicles, the dealer will need to verify their combined fuel economy.

With regard to the trade-in, NHTSA is considering various measures to ensure that the vehicle is never used again as an automobile in this or any other country. We intend to enforce the Act's requirements strictly and vigorously and to conduct audits to detect any possible violations. See the question below on penalties and enforcement policies.

If I think fraud is being committed, how do I report this?

Please call the NHTSA Hotline, Monday-Friday 8 am to 10 pm at (888) 327-4236, TTY: (800) 424-9153. Beginning June 27, the number will be available for CARS calls on Saturdays 10 am – 8 pm. Beginning July 1, we will have a new number, 1-866-CAR-7891, dedicated to calls about the program.

You may also call the Hotline of the Office of the Inspector General (OIG) at the U.S. Department of Transportation. The OIG Hotline is an important tool that is used to facilitate the reporting of allegations of fraud, waste, abuse, or mismanagement in the Department's programs or operations, including the CARS program. Allegations of fraud may be reported by DOT employees, grantees, contractors or the general public. The Hotline is set-up to receive allegations in variety of forms, including by email (hotline@oig.dot.gov), regular mail (DOT

Inspector General, P.O. Box 708, Fredericksburg, VA 22404), fax (540-373-2090) or a toll free number (1-800-424-9071). OIG's Hotline is open 24 hours a day, seven days a week and is operated by a third party contractor.

Are there penalties for violations related to the CARS program?

Yes. The money Congress has provided for this program is intended only for eligible recipients, and the requirement to destroy the trade-in vehicle is an important part of the program. To protect consumers, dealers, and others, NHTSA intends to enforce the Act and the implementing regulations strictly. The CARS Act has provisions specifically aimed at preventing fraud. A person who violates the Act or the implementing regulations could be subject to a fine of up to \$15,000 per transaction. While NHTSA may provide discretionary relief for innocent clerical errors, NHTSA intends to prevent fraud in the first place and penalize any fraud that occurs.

Willful misstatements or false reporting made to the government in connection with the program may also make a person liable for criminal penalties under applicable laws. See 18 USC 1001.

Summary Tables

Eligibility Requirements	
Trade-in Vehicle	<ul style="list-style-type: none"> • Is in drivable condition • Has been both continuously insured, consistent with the laws of your State, and continuously registered to the same owner for at least one year immediately prior to the trading-in of your vehicle under the CARS program • Manufactured less than 25 years before the date of trade in (i.e., before mid- to late-1984) and, in the case of category 3 trucks, not later than model year 2001 • Has a <u>combined</u> MPG of 18 or less (this does not apply to category 3 trucks, i.e., very large pickup trucks and cargo vans)
New Vehicle (Purchased or Leased)	<ul style="list-style-type: none"> • Is new (i.e., legal title has not been transferred to anyone) • Has manufacturer's suggested retail price of \$45,000 or less

Incentive Amounts					
If the type of new vehicle you want is a...	The combined MPG* of the new vehicle must be...	The type of vehicle you trade-in must be a...	Amount of incentive		
			If the difference in combined MPG between the new vehicle and trade-in vehicle is...	The incentive is...	
Passenger Automobile • <u>All passenger cars.</u>	At least 22 MPG	Passenger car, Category 1 or 2 truck	4-9 MPG	\$3,500	
			10 MPG or more		\$4,500
Category 1 Truck:† • <u>All SUVs</u> w/ GVWR <=10,000 lbs. • <u>Pickups</u> w/ GVWR <8,500 lbs. & wheelbase <= 115 in. • <u>Passenger vans & cargo vans</u> w/ GVWR <8,500 lbs. & wheelbase <= 124 in.	At least 18 MPG	Passenger car, Category 1 or 2 truck	2-5 MPG	\$3,500	
			5 MPG or more		\$4,500
Category 2 Truck:† • <u>Pickups</u> w/ GVWR <= 8,500 lbs. & wheelbase > 115 in. • <u>Passenger vans & cargo vans</u> w/ GVWR <= 8,500 lbs. & wheelbase > 124 in.	At least 15 MPG	Category 2 truck	1 MPG	\$3,500	
			2 MPG or more		\$4,500
		Category 3 truck	NA‡	\$3,500	
Category 3 Truck:† • <u>Trucks</u> w/ GVWR 8,500-10,000 lbs. that are either pickup trucks with cargo beds 72" or longer or very large cargo vans.	NA‡	Category 3 truck	NA‡ However, the new vehicle must be similar in size or smaller than the trade-in	\$3,500	

*MPG requirements are based on EPA's combined city/highway rating

†GVWR = Gross Vehicle Weight Rating

‡Not applicable; Category 3 trucks do not have EPA MPG ratings

Issued on:

Ronald L. Medford
Acting Deputy Administrator

Billing Code: 4910-59-P

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