

Cash for Clunkers Program

President Obama signed the Consumer Assistance to Recycle and Save Act of 2009 on June 24. Commonly referred to as Cash for Clunkers, the legislation appropriated \$1 billion and is applicable to new vehicles purchased on and after July 1, 2009, if you trade in an older vehicle that meets certain conditions.

Congress didn't expect so many to take advantage of the program in such a short amount of time. That is why Congress is considering appropriating another \$2 billion towards the program. As of August 4, the U.S. House has passed the additional funding, but the U.S. Senate has not.

If you are still thinking about participating in the program, but would like more information, there is plenty of information available to help you. Almost all of the vehicle manufacturers' websites have a step-by-step process showing

which of their new vehicles are part of the program and you can find out if your current vehicle qualifies. Another good website is www.cars.gov, which is the Government's webpage for the program.

Below are some of the basic guidelines and/or requirements:

- The car that you want to trade in cannot be older than 25 model years, and it cannot get more than 18 combined miles per gallon (combined is defined as highway and city mileage). If you don't know this information, a dealer or website can help you.
- The car that you want to trade must have been insured and registered in your name for the past twelve months. If you don't have all the paper showing insurance, contact your insurance agent and see if they can help. Also, there cannot be a lien on the vehicle that you trade in.

- There must be at least 4 miles per gallon difference between your car and the one that you would like to purchase. This calculation is made based upon the combined miles per gallon.

- If the difference in mileage is between 4 and 10 miles per gallon, you would be eligible for \$3,500 toward the purchase of the new vehicle. If the mileage difference is 10 miles per gallon or more, you would be eligible for \$4,500 toward the purchase of the new vehicle.

- The manufacturer's suggested retail price of the new vehicle cannot be more than \$45,000. The dealer is required to also apply any manufacturer rebate; the Cash for Clunkers Program does not replace any dealer incentive promotion.