

Dealership Terms and Conditions

Version 2

Approved 6/2025

Dealership Roles and Responsibilities

As a dealership participating in the Driving Clean Vehicle Assistance Program (DCAP), your dealership agrees to apply the approved incentive amount towards the purchase or lease of an eligible new or used clean vehicle and is subject to terms below:

Program Overview

Program Administrator: Community Housing Development Corporation (CHDC)

Funder: California Air Resources Board (CARB)

Financing Assistance (Subject to Change from CARB):

- Through a network of partnered lenders qualifying participants will be eligible to apply for low interest financing. Participants will present the pre-approval letter to the dealership.
- Approved participants will receive up to \$7,500 in down payment assistance.
- Approved participants will receive up to \$2000 in charging assistance.

Clean Cars for All (Subject to Change from CARB):

- Approved participants are required to scrap a qualifying vehicle.
- Through a network of partnered lenders qualifying participants will be eligible to apply for low interest financing. Participants will present the loan pre-approval letter to the dealership.
- Approved participants will receive up to \$12,000 in down payment assistance.
- Approved participants will receive up to \$2,000 in charging assistance.
- Participants qualify for State Tax Reduction of 3.9375%
 - State Tax Reduction: Sales or leases of eligible vehicles to qualifying buyers are taxed at the current rate minus 3.9375% exemption, applied to the total selling price at the time of sale, before any incentives.

These grants are not stackable with one another.



Dealership Requirements

A Dealership must be a:

- Franchise Dealership
- Member of Credit Union Direct Lending (CUDL)
- Other- Subject to Program Discretion

The dealership must be in California and have a valid dealership license with the California DMV. All eligible vehicles must be sold or leased in California. To be approved for the network, dealerships must provide all required information and applicable documents. This includes, but is not limited to:

- ACH Information
- Signed Copy of Current Dealer Terms and Conditions
- Name, Address, Point of Contact, and Dealer Type

Purchase Contract and Lease Agreement Requirements`

The purchase contract or lease agreement must be complete, signed, and include the following information:

- The Name and Address of the DCAP Participant
- The Qualified Incentive Amount is Applied as a Down Payment
 - For purchases the grant should be notated separately from all other down payments on the purchase contract, preferably as a deferred down payment.
 - For leases the grant amount should be notated separately in the “cash due at signing” section of the agreement.
- The “Truth in Lending” Section Must Accurately Reflect the Lending Received.
 - For participants paying cash, the “amount financed” section should be blank.

Documents must be submitted within 10 days of completing a qualifying sale.



Loan Requirements

Participants are required to receive financing at or below 8%. No exceptions will be provided.

The loan amount financed must be at or below \$45,000.

Loan terms should be 72 months or less.

Dealerships may be required to work with lenders to ensure all required documents have been submitted.

Participants may obtain financing from outside of the DCAP network; however, they must meet the interest rate requirements.

Pricing and Incentive Stacking

Dealerships must ensure that, along with the participant's approved DCAP grant, all other relevant discounts and incentives (such as manufacturer and dealer rebates) are accessible to them.

Dealership must provide written warranties if applicable.

Grant funds cannot be combined with any other equity program sponsored by the State of California Air Resources Board without prior authorization from the Driving Clean Assistance Program.



Vehicle Eligibility

Vehicles must meet the following requirements:

- The Price of the Vehicle Cannot Exceed \$45,000
 - Purchases:
 - The cap applies to line 1A Cash Price of Motor Vehicles and Accessories
 - Lease:
 - The cap applied to the Gross Capitalized Cost.
- The Vehicle Must be 8 Model Years or Newer
 - Used Vehicles must have an inspection report signed by a licensed mechanic and a history report such as a Carfax.
 - Vehicles with any title brand are excluded from the program which includes but **not limited** to Lemon Law Buyback, Salvage, and Remanufactured.
- The Vehicle Must be less Than 75,000 Miles
- The Vehicle and Driver Must Meet California's Insurance Requirements
- The Vehicle Must be Registered in California
- The Vehicle Cannot Have an Open Recall
 - All National Highway Traffic Safety Administration recalls must be resolved before the grant can be redeemed.

Note: DCAP reserves the right to deny grant payment requests as needed. An explanation will be provided to the dealership.



Grant Payment

All participating dealerships must provide Automated Clearing House (ACH) payment information to the DCAP administrators to redeem a grant payment.

If the dealership includes multiple stores unique ACH information may be required for each location.

ACH payments will be made within 7-10 business days after an approved grant redemption request.

The dealership shall not accept any collateral from the participant in lieu of the grant.

The dealership reserves the right to hold the vehicle until the ACH payment is received.

Termination

Termination without cause: The DCAP reserves the right to terminate a dealer's participation without cause with 30 days' written notice.

Termination with cause: The DCAP will promptly investigate any claim or complaint regarding a dealer's vehicle sale to a participant. If it's found that the dealer failed to comply with the program's terms and conditions, the DCAP reserves the right to terminate the dealer's participation immediately upon written notice.



Authorized Representative

The Dealership agrees to abide by all applicable consumer protection laws.

The Authorized Representative certifies that they are duly authorized to sign these Terms and Conditions on behalf of the dealership. The Authorized Representative should be a member of the dealership's management or leadership team including Finance, General, or Sales Manager. By signing below, the Authorized Representative agrees that the dealership accepts, agrees, and agrees to be bound by the Terms and Conditions stated above.

Dealership Business Name: _____

Dealership Authorized Representative Name: _____

Dealership Authorized Representative Title: _____

Dealership Authorized Representative Signature: _____

Date: _____