

Dear RVIA Member:

With this week's Congressional debate on the wisdom of auto industry bridge loans and an emerging consensus on the obligations and requirements the car manufacturers must meet if such loan packages are to be offered, I wanted to update you on RVIA's efforts to improve the economic environment for the RV industry. The political and economic situations are quite fluid, and there have been various federal government actions and interventions both prior to and following the October enactment of the rescue bill and the Troubled Asset Relief Program ("TARP") and the recent creation of the Term Asset-Backed Loan Facility (TALF).

What is RVIA doing? Staff, in conjunction with our government affairs consultants, member companies, and stakeholders in the recreation industry, has explored various programs and legislative/regulatory initiatives the association could undertake to lessen the current economic crisis for RVIA members. Of the identified possibilities, three specific actions have been selected for immediate legislative/regulatory action.

First, credit markets are not functioning normally, dampening vehicle sales from a shrinking pool of willing buyers. The Treasury Department recently announced plans to use TARP funds to infuse capital into specialty lenders and nonbank institutions to improve the availability of car loans, student loans, and credit card loans. RVIA has asked Treasury to include RV consumer and dealer floor plan loans in this liquidity facility.

Second, part of a stimulus plan to be considered next year permits the deduction of sales and excise taxes for new car purchases. RVIA has begun to ask Congress that this proposal be modified to include RV purchases as well, or alternatively, request an incentive for the purchase of diesel motorhomes that operate on B5 and/or B20 biodiesel.

Third, to help ensure the availability of credit, the US Treasury Department should require that banks and nonbank financial concerns receiving TARP funds use this newfound liquidity to actually make consumer and business loans available. Action is needed, perhaps stronger than mere urging, to require that a portion of the remaining TARP funds be used for consumer and business loans. Economic recovery depends heavily on a rebound in consumer confidence, and consumers who are credit worthy and that encounter barriers to financing purchases will make this rebound more difficult.

Your assistance in supporting passage of the above 3 legislative/regulatory proposals is requested. Please contact your US Congress members **today** by going to www.rvact.org and sending an e-mail letter. Once at the site, simply input your zip code and the names and e-mail addresses of your Congressional delegation will appear along with a sample letter which should be customized with your company-specific information. The website sends your letters directly to your members of Congress.

Letters from RVIA to Secretary of the Treasury, Paulson and Congress regarding each of the above issues, as well as similar correspondence from the American Recreation

Coalition, are available at

https://www.rvia.org/AM/Template.cfm?Section=RVIA_Letters_to_Elected_Officials&Template=/MembersOnly.cfm&NavMenuID=936&ContentID=7150&DirectListComboid=D.

In addition to writing letters, the American Recreation Coalition (ARC) has also helped to facilitate communications between RVIA and other ARC members who are working on economic stimulus proposals, brain stormed RV industry stimulus ideas and shared a web based instruction guide on "How to Tell Your Story to Members of Congress" which will be utilized by RVIA when we ask members to schedule visits with Congress to discuss the 3 economic stimulus proposals described at the beginning of this letter.

Further, for those with a strong interest in following government actions to restart the economy, attached is a document prepared by RVIA's government affairs consultants at Sonnenschein, which summarizes information on the already-enacted rescue bill, as well as TARP and TALF. Please note that the chart is merely a snapshot in time of the current situation. To access the most current version of the chart, go to www.sonnenschein.com click on "practice areas," then select "financial crises; special situations," and print the chart in the upper right hand corner of the screen. Those interested in exploring such actions at an even deeper level can request a password (allow several hours for password to be assigned) at the link below to follow developments at no cost on the Sonnenschein firm's website as they arise.

<http://marketing.sonnenschein.com/reaction/RSGenPage.asp?RSID=869E07E3C5EA1C81865E3F26D40F00A9B5493B1BBF8A6A52D41>

In addition to the items discussed above, RVIA is pursuing several initiatives that do not require legislative or regulatory intervention. Among these initiatives is the concept of a Recreation Loan Guarantee Insurance Corporation that could seek private insurance on RV loans similar to Private Mortgage Insurance on home loans with less than 20% down payment. Also, as qualification standards for RV loans become more stringent, more borrowers are finding themselves qualified only for sub prime loans, so RVIA is reaching out to sub-prime auto industry lenders to get them more familiar and comfortable with the RV industry.

Moreover, RVIA has joined a coalition which is advocating for a temporary extension of the Net Operating Loss (NOL) carry back period, which, if granted would provide companies with an infusion of cash. Under current law, businesses may carry back losses for only two years, generating a tax refund to the extent of taxes paid in those years. Losses that cannot be absorbed in those two years are carried forward for use against future taxes that may be owed. Legislation allowing companies to carry back losses to earlier profitable years would simply convert a future tax benefit into cash today, when it is most needed. Congress has previously used NOL carry back relief as a tool to help lift the economy out of recession.

Also attached to this letter is a short list of what appears to be the most useful federal government loan programs available to RV manufacturers and suppliers. RVIA has

reviewed loan programs administered by the Small Business Administration, the Departments of Commerce, Transportation, Energy, Agriculture and the Environmental Protection Agency to compile this list.

At the same time RVIA undertakes the above initiatives, just like your company is undoubtedly adjusting business practices with a sharp eye on the bottom line, RVIA is doing the same and reducing budgeted expenses. Ten RVIA staff positions were eliminated in September. The annual meeting planned for Dana Point, California in March has been canceled and will be held instead in Washington, DC in conjunction with RVIA Committee Week. The Strategic Planning Committee will meet in January to prioritize association activities and explore new income sources. RVIA is going to become leaner and more innovative during these challenging economic times.

While difficult challenges remain for the RV industry and the economy as a whole, RVIA is working to address discrete initiatives that will help the industry rise to these challenges.

Together we will weather this storm and come out of the current economic downturn even better prepared to meet the recreation needs of American consumers. Your input is not only welcome but more critical than ever. Please help by contacting members of Congress today!

Thank you for your continued support.

Sincerely,

Richard Coon
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