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Automotive Industry E-alert

New special purpose vehicle (SVP) to assist automotive financiers announced by the Treasurer.

Leading Australian banks will contribute \$2billion to automotive financiers which have financed or will provide finance to dealers as a result of GE and GMAC exiting the market.

ANZ, Commonwealth Bank, National Australia Bank and Westpac have agreed to form the SVP with support from the Federal Government in the form of a guarantee to cover a proportion of issued securities. The SVP will be in place from 1 January 2009.

The SVP will only be providing financing support to viable businesses and eligibility criteria are being developed over the next 3 weeks by the banks and Treasury with technical support being given by Credit Suisse.

Only financiers which are providing finance to dealerships which have been financed by GE and GMAC up to their exit from the market will be eligible. The finance covered will be wholesale floor plan financing only.

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