



MileageSmart Dealer Packet

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Capstone Community Action

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Applicant Eligibility

What is MileageSmart?

Capstone Community Action, in conjunction with VTrans and the Dept of Environmental Conservation, has put forth a program, initiated by the VT State Legislature, to assist low-to-moderate-income Vermonters in need of reliable and affordable used transportation that is also environmentally friendly. The MileageSmart program's mission is to reduce carbon emissions in the State by helping lower income Vermonters purchase used, EPA estimated 40+ Combined MPG vehicles.

Who is eligible?

There are several program requirements. The applicant must:

- Be a Vermont resident with a valid Driver's License.
- Not be claimed as a dependent on someone else's tax returns.
- Be at least 18 years or older.

Additionally, this program is designed to assist Vermonters who are at or below 80% State Median Income by Household Size. See the chart on page 5.

If you are working with a client who is interested in the MileageSmart program, they must apply at <https://www.mileagesmartvt.org/apply>. The MileageSmart Administrator will review the details of the application and determine whether or not the applicant is eligible.

Vehicle Eligibility

What vehicles are eligible?

MileageSmart aims to get more high-mpg cars on the road in Vermont. To qualify, the car needs to be rated **at least 40 MPG or MPGe**. If you aren't sure whether a vehicle is eligible or not, please visit <https://www.fueleconomy.gov/feg/findacar.shtml> to check.

Other vehicle requirements

In addition to the combined MPG or MPGe of at least 40, MileageSmart has a few other requirements. The vehicle must:

- Be priced at or below the NADA clean retail value.
- Be used, not new.
- Have a clean title, no title brands.
- Be located at a registered Vermont dealership.
- Have a sale price of less than \$40,000

Lender Eligibility

What lenders qualify?

Most program participants will need a loan.

- The APR must be below 12%.

Additionally, we encourage participants to find loans through special lenders that offer discount interest rates for high-mpg vehicles:

- Vermont State Employees Credit Union
- Heritage Family Credit Union
- White River Credit Union
- Vermont Federal Credit Union

How to Register your Dealership

In order to get your dealership registered for the MileageSmart Program, we need two pieces of documentation:

1. The Dealership UCD License Number
2. A W-9 including the Dealership EIN

Once both have been emailed to support@mileagesmartvt.org, we will be able to issue an incentive check for your dealership.

Process Overview

1. Once the Application is approved, the Participant is instructed to go car shopping.
2. The Participant comes to your Dealership and is interested in a vehicle that is eligible for MileageSmart.
3. The Participant or Salesperson sends an email to support@mileagesmartvt.org that includes:
 - a. **An *unsigned* Purchase and Sale Agreement that includes the 25% incentive from MileageSmart.** This incentive should only be calculated using the initial purchase price of the vehicle, excluding any tax and fees. If the vehicle is above \$20,000, the incentive is capped at \$5,000. If the applicant receives 3Squares/SNAP benefits they will receive the full \$5,000, regardless of the purchase price of the vehicle.
4. The MileageSmart Administrator checks the information on the Purchase and Sale Agreement to confirm that the vehicle is eligible. One of two things happen:
 - a. The vehicle is approved, and the Participant receives instructions on finding a loan.
 - b. The vehicle is denied, and the process restarts at Phase 2.
5. The Participant may work through the Dealership to find a loan, or they may search for one independently. If the Participant chooses to work through the Dealership to find a loan, the Salesperson sends an email to support@mileagesmartvt.org with a loan pre-approval document that includes:
 - a. Loan amount and duration
 - b. APR
 - c. Monthly payment
6. The MileageSmart Administrator checks the information on the pre-approval document. One of two things happen:
 - a. The loan is approved, and the Administrator requests disbursement of the incentive.
 - b. The loan is denied, and the process restarts at Phase 5.
7. The MileageSmart Administrator will send a Disbursement document to the Salesperson, confirming that the incentive has been approved for disbursement. The Salesperson can expect that incentive to arrive in the form of a check.

Maximum Household Income

Number of Persons in Household	Annual	Monthly
1	\$55,050.00	\$4,587.50
2	\$62,900.00	\$5,241.67
3	\$70,750.00	\$5,895.83
4	\$78,600.00	\$6,550.00
5	\$84,900.00	\$7,075.00
6	\$91,200.00	\$7,600.00
7	\$97,500.00	\$8,125.00
8	\$103,800.00	\$8,650.00

Frequently Asked Questions

I just bought an eligible vehicle - can I get the incentive retroactively?

Unfortunately, no. Incentives are only available at the time of purchase.

How does it work with a trade-in?

Participants may trade in their current vehicle to bring down the price, just as with any car purchase. This does not affect the MileageSmart incentive amount.

What if I still owe money on my current car?

In the case of a trade-in with negative equity, the 25% incentive can be used to pay down the existing loan.

Example: If you owe \$5,000 on your current vehicle, and the dealer offers \$3,000 for a trade-in, your negative equity on that vehicle is \$2,000. The high-MPG used car you want to buy costs \$12,000, so MileageSmart would provide an incentive of \$3,000 (25%). You can use \$2,000 of that incentive to pay off the negative equity on your current vehicle, and then apply the remaining \$1,000 towards the new purchase, bringing down the loan amount for your new car to \$11,000.

However: if your negative equity was \$4,000 and your incentive was only \$3,000, the deal would not qualify unless you first paid down the \$1,000 difference on your current vehicle.

Between my trade-in and the incentive, the new car is paid for, but not all of the incentive was used. Can I get that money back?

No. Your incentive, in this case, will be just the amount needed to buy the car outright. For example: if your MileageSmart car purchase price is \$12,000, it's eligible for a 25% incentive of \$3,000. However, if the dealer offers \$10,000 to trade in the vehicle you currently own outright, MileageSmart will only pay the remaining \$2,000 rather than the full \$3,000.