

**Honda 2007-2015 Multi-Model Driver's Airbag Inflator Recall
 Dealer Q&A – Updated 03.25.16**

**Stop Sale/Safety Recall: Honda 2007-2015 Multi-Model Driver's Airbag Inflator
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| GENERAL | |
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| What is the cause of the stop sale/safety recall? | <p>In certain vehicles, the driver's (front) airbag inflator could produce excessive internal pressure during airbag deployment. If an affected airbag deploys, the increased internal pressure may cause the inflator casing to rupture. Metal fragments could pass through the airbag cushion material, possibly causing injury or fatality to vehicle occupants.</p> |
| Has a root cause been identified? | <p>Multiple studies are ongoing by Honda, Takata, other automakers and NHTSA into the root causes of Takata airbag inflator ruptures.</p> <p>One of these studies completed the first phase of its analysis and released their initial findings on February 23, 2016:</p> <p>The Independent Testing Coalition, a partnership of 10 automakers, including Honda, announced that an independent engineering firm (Orbital ATK) investigating the root cause of a defect tied to certain Takata airbag inflators, has traced the root cause to a combination of three factors:</p> <ol style="list-style-type: none"> 1. The presence of pressed phase stabilized ammonium nitrate propellant without moisture-absorbing desiccant 2. Long term exposure to repeated high temperature cycling in the presence of moisture, and 3. An inflator assembly that does not adequately prevent moisture intrusion in high humidity. <p>The results of the investigation apply solely to inflators subject to National Highway Traffic Safety Administration (NHTSA) recalls 15-E040 to 15-E043, which use a propellant of non-desiccated phase-stabilized ammonium nitrate (PSAN).</p> <p>Honda is currently evaluating this root cause determination along with other reliable data in our ongoing analysis of the root cause of ruptures of Takata airbag inflators. If Honda determines that a safety defect exists in any of its vehicles not yet subject to recall, we will take swift action in the interest of our customers' safety.</p> |
| Have there been any ruptures of this type of inflator in the market in | <p>Honda has not received any reports of Takata PSDI-5 inflator ruptures in the market in Honda or Acura vehicles worldwide.</p> |

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| Honda or Acura vehicles? | |
| Which models are affected by the stop sale/safety recall? | <p>The recall includes specific VINs from these Honda models:</p> <ul style="list-style-type: none"> • 2007-2011 Honda CR-V • 2007-2014 Honda Ridgeline • 2009-2014 Honda Fit • 2010-2014 Honda FCX Clarity • 2010-2014 Honda Insight • 2011-2015 Honda CR-Z <p>Check VIN status to see if a specific VIN is included in the recall.</p> |
| When will a list of affected VINs be available? | <p>As of February 15, 2016, affected VINs have been determined and vehicle eligibility can be confirmed through VIN status inquiry. Any unsold vehicle shown to be eligible for service bulletin 16-016 will need to remain on stop sale until the vehicle is repaired. Vehicles that no longer show as eligible for the bulletin can be sold without further action, assuming no other open recalls apply. Customer-facing sites (www.recalls.honda.com, safercar.gov) have also been updated with the list of eligible VINs, which may drive inquires about eligibility or repair. At this time, replacement parts to repair the recall condition are not available.</p> |
| With all the airbag-related recalls announced lately, why are Honda and Acura seemingly the only brands with a Stop Sale? | <p>The stop sale on new vehicles is federally mandated. American Honda issued the stop sale on used vehicles in alignment with our company policies and in the interest of customer safety, which is our top priority.</p> |
| Why did American Honda call for a Stop Sale when there have been no injuries or deaths related to this new recall and other automakers have not issued a Stop Sale? | <p>The stop sale on new vehicles is federally mandated. American Honda issued the stop sale on used vehicles in alignment with our company policies and in the interest of customer safety, which is our top priority.</p> |
| Since there have been no ruptures of this type of airbag inflator in Honda or Acura vehicles, should a dealer or customer not be worried about the issue? | <p>Everyone affected by this recall should take the risk of airbag inflator rupture seriously. Honda has determined that the Takata airbag inflators included in this recall contain a safety related defect.</p> |
| What is the repair? | <p>Replace the driver's airbag inflator with a different inflator type.</p> |
| Are replacement parts available? | <p>The necessary replacement parts are currently not available. American Honda expects to receive the first shipment of parts in early April, but this shipment will not include every part number required by the recall. We anticipate that recall</p> |

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| | repairs will begin this summer. |
| Why will there be such a long delay for replacement parts? | Honda plans to replace all of these recalled inflators with new parts from an alternative supplier, free of charge. It will take some time to conduct the engineering and testing of replacement inflators in order to ensure that they will fit in the existing airbag modules originally installed in these vehicles and perform to specification. Additionally, due to the large number of vehicles involved, some of the delay will be caused by efforts to ramp up production for this purpose. |
| Since you have a supply of replacement inflators already, why can't the existing replacement inflators be used for the PSDI-5? | The driver front inflator designs and specifications are different between vehicles included in the latest recall and the earlier recalls. |
| Do the replacement inflators contain ammonium nitrate? | <p>For the driver front airbag inflator recall announced in February 2016, Autoliv will supply the replacement inflators. None of those replacement inflators will contain an ammonium nitrate propellant.</p> <p>For the Takata airbag inflator recalls announced before February 2016: The replacement airbag inflators being supplied by Takata do contain ammonium nitrate in their propellant formulas.</p> <p>The replacement inflators being supplied by Autoliv, Daicel and TRW do not contain ammonium nitrate.</p> |
| What actions should dealers take? | <ol style="list-style-type: none"> 1. Ensure that every dealership associate is aware of this situation and that customer-facing associates provide transparent information to customers. 2. Refer to your eResponsibility report and VIN inquiry to determine which units in your inventory are affected by this safety recall. 3. Run a VIN status check on all vehicles brought into your Service department to determine if they are affected by any recall. 4. For affected vehicles, replace the driver's airbag inflator with a different inflator type. Any new or used units in dealer stock must be repaired per service bulletin 16-016, Safety Recall: Takata Driver's Airbag Inflator once the parts and repair information is available. 5. Offer concerned customers of affected vehicles a loaner or rental vehicle until a replacement part is available and their vehicle is repaired. |
| CUSTOMER COMMUNICATIONS | |

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| <p>When will customers be notified of this recall?</p> | <p>Initial notifications will be mailed to customers beginning March 14, 2016, with a completion date by March 25, 2016. American Honda is also communicating to customers in the following ways:</p> <ul style="list-style-type: none"> • February 3 – Press release was issued to the media • February 4 – Alert was posted on the Honda Owners site • February 15 – VIN search became available at recalls.honda.com and recalls.acura.com |
| <p>What will be communicated to customers in the mailing?</p> | <p>Customers will initially be advised that their vehicle is affected by a safety recall and that parts will be made available beginning in summer. Once sufficient parts are available, customers will be notified by mail again to visit their dealer for inflator replacement, with priority on older models and regions affected by high absolute humidity.</p> |
| <p>What should dealers tell customers whose vehicles show as included in the recall in VIN Status Inquiry?</p> | <p>If the vehicle shows as affected in VIN Status Inquiry, please let the customer know the following:</p> <ul style="list-style-type: none"> • Your vehicle is part of an open recall requiring a replacement of the driver's airbag inflator. • You will receive an initial notification in the mail in March. • There are currently no replacement parts available for this recall. Replacement parts are expected to begin arriving at dealers this summer, but it will take some time before enough parts will be available to repair every vehicle. • You will be notified by mail again when parts become available for your vehicle and you're encouraged to visit an official Honda dealer for repair at that time. |
| <p>SALES</p> | |
| <p>Can dealers sell vehicles with affected VINs to retail customers?</p> | <p>No. All affected vehicles are on stop sale and cannot be sold until the inflator is repaired with a counter-measured part.</p> |
| <p>Can dealers wholesale affected units?</p> | <p>No. Dealers cannot sell any vehicles affected by this recall until the required repair is completed.</p> |
| <p>The stop sale of used vehicles under recall is an American Honda-imposed policy; it is not federally mandated. Given this, why couldn't a dealer sell a used car under recall?</p> | <p>Although American Honda cannot stop a dealer from selling a used vehicle under recall, our dealer agreement states that: "Affected vehicles should not be sold until the inspection and, if necessary, repair has been completed. Should an unrepaired vehicle result in any claim because of the required recall repair, the dealership will be solely responsible to the claimant, and will be required to defend and indemnify American Honda for any resulting claims."</p> |
| <p>Will Honda provide dealers floorplan and/or depreciation assistance for</p> | <p>On February 11, 2016, Honda announced the Honda Trade-In-Assistance Program for dealers:</p> |

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| <p>recalled vehicles in dealer inventory?</p> | <ul style="list-style-type: none"> • Depreciation assistance for current new, used and Certified Pre-Owned (CPO) affected units in inventory as well as future used and CPO units. <ul style="list-style-type: none"> ○ Assistance will be effective as of a vehicle's stop sale date or dealer acquisition date through the campaign completion date. ○ Dealers will be paid assistance based on the variance in Blackbook average value during that period. • Floorplan assistance for current new, used and CPO affected units in inventory as well as future used and CPO units. <ul style="list-style-type: none"> ○ Assistance will be effective as of a vehicle's stop sale date or dealer acquisition date through the campaign completion date. ○ Dealers will be paid assistance at the Prime rate based on the Blackbook average value. ○ Dealers will be paid assistance for Floorplan insurance based on the Blackbook average value. <p>Claiming systems for this program are currently in development and are expected to go live during the week of March 28, 2016.</p> <p>Paid assistance will apply to all affected units as of the stop sale date. Marketing bulletin HP-I96 posted on iN on March 14, 2016, provides official program details.</p> <p>Please note that this program ends on July 29, 2016 for vehicles included in the 2007-2015 Multi-Model Driver's Airbag Inflator recall (16-016) and on July 23, 2016 for vehicles included in the 2008-2010 Accord SRS Unit Replacement safety recall (16-006). Honda will assess the need to extend this program beyond these dates, based on parts availability come July.</p> |
| <p>How frequently will Honda pay dealers depreciation, floorplan and insurance assistance?</p> | <p>American Honda will provide assistance to dealers on a monthly basis. Please see bulletin HP-I96 for details regarding the timing of these payments.</p> |
| <p>Does the floorplan assistance and depreciation assistance apply to recalled vehicles purchased from other OEM dealers on trade?</p> | <p>Yes. The floorplan and depreciation assistance for Honda dealers covers all affected vehicles acquired by the Honda dealer in the normal course of doing business.</p> |
| <p>Will American Honda compensate dealers for storage costs resulting</p> | <p>American Honda will not reimburse dealers for storage costs; however we are compensating dealers at Prime for floorplan</p> |

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| <p>from the stop sale?</p> | <p>assistance, which should help to defer other costs incurred by the dealer.</p> |
| <p>Will Honda provide a lease extension offer for current Honda customers?</p> | <p>On February 11, 2016, Honda announced the Lease Extension Program/ Honda Promise Program</p> <ul style="list-style-type: none"> • Dealer optional 6-month lease extension for maturities ranging between February 1, 2016 and June 30, 2016. • Complimentary 12,000 miles, 12-month, zero deductible Honda Care® Vehicle Service Contract Vehicle Service Contract for extended leases. • \$500 Promise Loyalty offer toward Cap Cost Reduction or Down Payment Assistance for any new and not previously reported sold Honda vehicle leased or financed through HFS upon fulfillment of a 6-month lease extension. • Please refer to future bulletins for official program details. |
| <p>What should dealers do when customers want to trade in a vehicle included in the recall?</p> | <p>Dealers will have the option to take vehicles in on trade and utilize the floorplan and depreciation assistance program American Honda announced on February 11, 2016.</p> |
| <p>What should dealers do when customers coming off lease want to purchase their recall-affected lease vehicle?</p> | <p>The Airbag Recall/Stop Sale prohibits the sale of any vehicles subject to recall. Upon further review and in compliance with the stop sale, AHFC has made the decision to disallow the sale of off-lease vehicles to their original lessees.</p> <p>Dealers can offer customers a lease extension and these customers will be eligible for American Honda's loaner car policy. Customers will have the opportunity to purchase the vehicles off lease once recall repairs have been made.</p> |
| <p>Can dealers purchase lease vehicles at end of term?</p> | <p>Honda dealers may purchase affected lease vehicles at end of term through the Vehicle Inter-Dealer Purchase System (VIPS) or scheduled Honda-only auctions.</p> <p>Dealers are prohibited from selling the vehicle to any customer until the repairs are completed.</p> |
| <p>Are affected vehicles purchased through VIPS eligible for the trade-in assistance program?</p> | <p>Yes.</p> |
| <p>How quickly will HFS retrieve their cars if the dealer does not buy it after end of term?</p> | <p>HFS understands the importance of having end of term lease vehicles picked up in a timely manner after they have been grounded through VIPS. HFS works with our auction partners</p> |

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| | to have vehicles picked up within our service level agreement of (3) three business days. |
| If I don't floorplan with AHFC, will I still receive floorplan assistance? | Yes. The floorplan assistance program will be available for all dealers regardless of your current floorplan provider. |
| Would HFS consider extending special floor lines for the amount equal to the frozen inventory to a non-HFS flooring dealer, so they can try and continue to conduct regular business? | At this time, there is no plan to extend special floorplan lines to non-HFS flooring dealers. Dealers should be working with their current floorplan lenders to open or increase their Used Line Flooring, if needed. If Honda dealers are considering moving their floorplan financing to HFS, please have them contact their Dealer Relations Manager for details. |
| Can a Honda dealer retail an Acura vehicle included in the recall? | No. Dealers should not retail any Honda or Acura vehicle under recall. Dealers should check Honda VINs on iN and should check Acura VINs on recalls.acura.com. |
| Will American Honda provide assistance to Honda dealers for Acura vehicles included in the recall? | Yes. The assistance programs announced on February 10, 2016 will also apply to CPO and used Acura vehicles. |
| Is Honda planning to suspend current pull-ahead programs? | No. Based on dealer requests and feedback that there is new car availability to support these programs, Honda will not suspend the current pull-ahead programs. |
| What happens if a dealer wants to recertify a recall-impacted vehicle and incurs additional reconditioning expenses? | <p>Honda will provide a \$200 reconditioning allowance for every impacted vehicle listed in the dealer's Certified Pre Owned inventory on January 30, 2016.</p> <p>Payment will be made once all recall claims and campaigns on the vehicle are completed and the vehicle is RDR'd. Claims for payment assistance will be made through the Honda Performance Center. A bulletin with details will go out regarding the claim process.</p> <p>Payment will be made following the process through the Dealer Performance Center.</p> |
| If a dealer sold a certified pre-owned vehicle under recall prior to the stop sale date, can he/she still RDR the vehicle? | <p>In cases where dealers sold and delivered recalled Certified Pre Owned vehicles to customers but did not RDR the vehicle prior to the stop sale, the Auto Remarketing team will assist you in completing the RDR manually. Please submit the necessary documents to us for review and approval:</p> <ul style="list-style-type: none"> • CPO Vehicle Exception Request Form (complete Section 2. Delinquent Certified RDR) • Completed 182-Point checklist • Copies of Repair Orders |

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| | <ul style="list-style-type: none"> • A Customer signed copy dated on or before January 30, 2016 of any of the below documentation: <ul style="list-style-type: none"> ○ Sales Agreement or Bill of Sale ○ Retail Sales Contract or Lease Agreement ○ Finance Agreement (if applicable) <p>Please send those documents to: Certified_compliance_notification@ahm.honda.com.</p> <p>Upon receipt and approval of the documents, Auto Remarketing will scan them, store in a PDF file and will manually input the RDR. The dealer will be emailed confirmation upon completion of the RDR.</p> |
| SERVICE | |
| <p>Is there a service bulletin for this safety recall?</p> | <p>We have issued bulletin 16-016, Safety Recall: Takata Driver's Airbag Inflator to support this safety recall. Once parts are available, the bulletin will be revised to include warranty, parts and repair procedure information.</p> |
| <p>What verbiage should be included on the Repair Order?</p> | <p>"Customer advised that: The vehicle is subject to a recall affecting the driver's front airbag inflator. Redesigned driver airbag inflators are not available for installation at this time. Once redesigned parts are available, the registered owner of the vehicle will receive notice to bring the vehicle in for replacement of the component."</p> <p>If a customer receives a loaner vehicle or third-party rental for alternative transportation until recall repairs are completed and wishes to maintain possession of the vehicle under recall until parts are available, also ensure that the customer executes the stand alone Vehicle Retention Owner Indemnification Agreement provided through iN.</p> |
| <p>If a customer's airbag has deployed, should the dealer replace the airbag with available parts?</p> | <p>Honda cannot replace or supply a replacement Driver SRS module for these affected vehicles at this time; alternate transportation should be offered to the customer until SRS modules containing updated inflators become available.</p> |
| <p>How will parts be prioritized for waiting customers?</p> | <p>Due to the regional nature of high temperature and high absolute humidity, customer mailings will be conducted in high absolute humidity regions first, with the earliest model years receiving priority. Honda will notify dealers once this activity begins. Once parts are available, we will focus initially on high humidity markets.</p> |

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| | Note: Fourteen U.S. states and territories designated by Honda as High Absolute Humidity regions: Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, Texas, Puerto Rico, the US Virgin Islands, Saipan, Guam and American Samoa. |
| Will this new recall impact efforts related to the previous Takata inflator recalls? | No. This is a new safety recall. With your great support, American Honda has replaced about 50% of the inflators identified in previous recalls. We have sufficient parts in stock for all these vehicles affected by the older recalls and we're continuing our outreach efforts to those customers. There's plenty of work to do between now and the arrival of the new recall parts to continue this effort, so we ask that you please maintain your current staffing levels. When a customer contacts your dealership, please be sure to clearly identify which recall the vehicle falls under. We DON'T want to mistakenly turn away vehicles associated with the older recall. |
| Courtesy/Rental Cars | |
| Should dealers provide concerned customers with a courtesy or rental vehicle? | Yes. Honda Dealers should provide a courtesy vehicle to any customer who requests one while their vehicle is awaiting repair. Authorized HCVP dealers must follow HCVP Guidelines for Courtesy Vehicle issuance. An exclusive service available only from authorized HCVP dealers is the ability to issue an HCVP unit to sole titled owners under the age of 20 of affected vehicles. (For sole titled owners under 18 years of age, a parent must sign the rental agreement.) This policy also applies to customers who purchase vehicles coming off lease. Please see the HCVP Guidelines or Service Operations Manual for details. |
| Can courtesy vehicles included in the recall be loaned out to customers? | No. Please see HCVP Guidelines in section 15 of the Service Operations Manual. |
| How can dealers confirm if a courtesy vehicle is included in the recall? | Courtesy vehicles must be checked individually via iN "Service" > "Vehicle Information" > "VIN Inquiry." |
| Can a customer receive a courtesy or rental vehicle from the dealer and still keep his/her recall-affected vehicle? | Should you receive a request for alternate transportation from a customer affected by this recall where a campaign part is not available for the repair, please follow the procedures outlined in iN Message: "Stop Sale/Safety Recall: 2007-2015 Multi-Model Driver's Airbag Inflator- Alternate Transportation Procedures Where Parts Are Not Available For the Repair" sent on February 12, 2016. |
| How will Honda calculate | HCVP units affected by the recall and removed from loaner |

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| <p>depreciation and floorplan assistance on HCVP vehicles removed from service as a result of the stop sale?</p> | <p>service after February 2, 2016, are eligible for depreciation and floorplan assistance. The “start point” for these units will be the actual payoff amount made to HFS as shown on the Dealer Financial Services Statement of Account. On the date of the campaign completion, depreciation assistance will be paid based on the difference between the HFS payoff amount and the Blackbook (Average) value minus any applicable dealer/lease/finance cash. On the date the vehicle is RDRd, any dealer/lease/finance cash available will be paid, per our current policy.</p> |
| <p>Will Honda provide HCVP Assistance Cash to support dealers in transferring ground stock into their HCVP service fleet?</p> | <p>Honda has announced the following Marketing Bulletins to provide assistance for dealerships that have an immediate need for additional loaner units stemming from the recent airbag recall/stop sale:</p> <p>HP-179 HP-180 HP-181 HP-59 HP-60</p> |
| <p>Can a dealer use a third party rental car company and get reimbursement?</p> | <p>Yes, Honda will provide dealers reimbursement for use of third party rentals. The preferred process is to use HCVP vehicles when possible to maximize customer satisfaction. Dealers should negotiate extended term rates with rental agencies if necessary.</p> |
| <p>How frequently will Honda reimburse dealers for rental vehicle expenses?</p> | <p>Honda’s policy is to reimburse dealers for rental vehicle expenses as part of the campaign completion claim. Requests for exceptions to the policy will be reviewed by zone management on a case-by-case basis.</p> |
| <p>Can a customer keep a Honda Courtesy Vehicle Program vehicle for longer than 30 days if parts are not yet available to repair his/her vehicle?</p> | <p>No. Per the requirements of American Honda’s HCVP insurance carrier, the customer cannot rent or be loaned a Honda Courtesy Vehicle Program vehicle for longer than 30 days. At 30 days, the vehicle has to be inspected and/or exchanged for another vehicle and the customer must sign a new Rental Agreement. This enables to dealer to complete any required service maintenance.</p> |
| <p>Can a dealer expand his/her fleet size beyond the Honda Financial Services floorplan limit due to customer demand related to the recall?</p> | <p>Please contact your DSM to make HCVP fleet increase requests. The Sales Zone Manager will work in conjunction with Honda Financial Services to review requests on a case-by-case basis.</p> |

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| Can dealers pull recall-affected vehicles out of the courtesy car program without penalty prior to the minimum in-service requirement? | Yes. |
| Will customers be required to continue to make their monthly payment to Honda Financial Services while driving a courtesy vehicle? | Yes. |
| Can dealers convert existing inventory into HCVP units? | As a reminder, any 2015 or 2016 model currently in dealer new vehicle inventory can be converted into an HCVP unit. Please contact your zone office for details. |