Title Seminar & ALTS Training
Welcome

• Introductions
• Length of class and breaks
• Bathroom locations
• Turn cell phones off / silent
• Seminar book
• ALTS Access Application
Outline of Seminar

- Overview of Alabama Title Law
- Federal Driver’s Privacy Protection Act (DPPA)
- Designated Agent Qualifications and Responsibilities
- Title Documents
- Federal Truth-In-Mileage Act
- Title Assignments
- Title Transfers Involving Deceased Owners
- Power of Attorney Usage
- Perfection and Release of Liens
- Repossessions
- Salvage Vehicles and Non-Total Loss Transfers
- Reference Information
- Title Application Guidelines
- ALTS
- Manufactured Home Cancellation Procedures (Upon Request)
- Stolen-Unrecovered Vehicle Procedures (Upon Request)
Title Law Exemptions

The Alabama Uniform Certificate of Title and Anti-Theft Act exempts certain vehicles from titling requirements. These exemptions are as follows:

- A vehicle owned by the United States or any agency thereof
- A vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration, or a vehicle used by a manufacturer solely for testing
- A vehicle owned by a nonresident of this state and not required by law to be registered in this state
- A vehicle which the Alabama license plate issuing official has verified that both the current owner and operator is recorded as the owner and operator on a currently effective certificate of title issued by another state and the certificate of title is being held by a recorded lienholder.
Exemptions - Continued

• A vehicle moved solely by animal power
• An implement of husbandry
• Special mobile equipment
• A pole trailer
• A trailer, semi-trailer, travel trailer, or moving collapsible and folder camper more than 20 model years old.
  
  – This exemption is applicable on January 1 of each year and applies to all trailers, semitrailers, and travel trailers with a model year, as designated by the manufacturer, older than twenty (20) years from the current calendar year.

  Example: As of January 1, 2018, all 1997 and prior year model trailers, semi-trailers, travel trailers, and utility trailers are exempt from the titling provisions of Chapter 8, Title 32, Code of Alabama 1975.

• Utility trailers other than moving collapsible and folding campers.
Exemptions - Continued

• A manufactured home as defined in Section 32-20-2.

• A low speed vehicle, including neighborhood electric vehicles, defined as four-wheeled motor vehicle with a top speed of not greater than 25 miles per hour, a gross vehicle weight rating of less than 3,000 pounds, and complying with the safety standards provided in 49 C.F.R. Section 571.500.

• Any other motor vehicle more than 35 model years old.
  – This exemption is applicable on January 1 of each year and applies to all motor vehicles with a model year, as designated by the manufacturer, older than thirty-five (35) years from the current calendar year.

  Example: As of January 1, 2018, all 1982 and prior year and prior year motor vehicles are exempt from the titling.

• A mini-truck as defined in Section 40-12-240.

• A motor-driven cycle as defined in Section 32-1-1.1.
Title Law Exemptions

No title records will be maintained by the Department of Revenue for any motor vehicle or manufactured home exempted from titling under the provisions of Chapters 8 or 20 of Title 32, Code of Alabama 1975, or any rules promulgated thereunder.

(a) Example: As of January 1, 2018, the title records for the following motor vehicles will no longer be maintained due to the motor vehicle being exempt from titling by statute or rules promulgated thereunder:

1. Trailers more than twenty (20) model years which would include all 1997 and prior year model trailers.

2. Manufactured homes more than twenty (20) model years old which would include all 1997 and prior year manufactured homes.

3. Motor vehicles more than thirty-five (35) model years old which would include all 1982 and prior year model motor vehicles.
Title Application Process

Title applications can only be filed by a designated agent with the following noted exceptions.

The applications listed below may be filed by individuals directly with the Department of Revenue:
Title Application Process

- Application for replacement title
- Application for lien filing or lien transfer
- Application for salvage title

Designated Agents are required to process applications for certificate of title through the Alabama Title System (ALTS).
Federal Driver’s Privacy Protection Act (DPPA)

- Enacted by Congress to protect the interest of individuals and their privacy by prohibiting the disclosure and use of personal information contained in motor vehicle registration records, except as authorized by such individuals or by law.

- Personal information is defined as “information that identifies a person, including an individual’s social security number, name, address, telephone number and medical or disability information.”

- A person who knowingly obtains, discloses or uses personal information, from a motor vehicle record, for a purpose not permitted under the DPPA shall be liable to the individual to whom the information pertains, who may bring a civil action in a United States district court.
Designated Agent Qualification Requirements

- Licensed Alabama Motor Vehicle Dealers must have a current Act 539 Regulatory License on file with the Department.
- Licensed financial institutions must have a copy of their Title 5, Chapter 19, State Banking License or equivalent on file with the Department.
- Pawnshops – Submit copy of Alabama Pawnshop License.
- Out of state financial institutions (manufactured homes only) – Submit copy of company’s State business or regulatory license.
- Law Firms (manufactured homes only) – Submit copy of document evidencing that a principal of the firm is admitted to the State Bar.
- Title Agents (manufactured homes only) – Submit copy of certificate of authority issued by the Alabama Department of Insurance.
Designated Agent Responsibilities

• Obtain information and documentation required to complete an application for certificate of title.

• Properly complete and sign the title application.

• Provide owner with signed copy of the application.

• Properly assemble title applications and supporting documents.

• Submit title applications and required fees within ten calendar days to the ADOR.

• Follow-up on rejected applications to insure that certificates of title are properly issued to the applicants.

• Maintain records (dealers only) of every vehicle bought, sold, and exchanged for a minimum of five years.
Primary and Other Supporting Documents

• Supporting documents required to issue titles must accompany the title application and must be submitted in the following order:

1. The Title Application
2. The manufacturer’s certificate of origin or certificate of title properly assigned to the owner.
3. Other supporting documents such as: reassignment forms, bills of sale and power of attorney.
Designated Agent Inspection Requirements

• The designated agent is required to physically inspect a motor vehicle whenever an application for certificate of title is being completed and vehicle was not previously titled in Alabama.

• The inspection serves to verify the VIN and descriptive data for the vehicle.

• The inspection also helps to ensure that the application is being completed for the proper vehicle.
Title Documents

- Manufacturer’s Certificate (Statement) of Origin
- Alabama Certificate of Title
- Foreign Title Documents
  - Georgia Certificate of Title
  - Mississippi Certificate of Title
  - Florida Certificate of Title
  - Tennessee Certificate of Title
  - Arkansas Certificate of Title
  - Georgia tag receipt
  - Military registration
- GS97 Federal Government Certificate to Obtain Title to a Vehicle
- Court Order
- Bonded Titles
Manufacturer's Certificate of Origin - Front
Title Brands

- Brands (legends) on certificates of title disclose significant vehicle information. Listed below are the most common legends which will appear on Alabama certificates of title.
- This vehicle was returned to the manufacturer because it did not conform to its warranty (Lemon Law)
- Salvage
- Frame Change
- Specially Constructed (Kit, Replica)
- Rebuilt Vehicle
- Reconstructed (Tractor Glider Kit)
- Assembled
- Previously Recorded As SALVAGE
- Flood Damage
- This Title Is Secured Under A Three (3) Year Surety Bond
Title Brands (continued)

• Previous Title is Electronic.
• This Vehicle May Be Subject To An Undisclosed Lien (This legend can be removed from the title after four (4) months)
• Odometer Reading is in KM (Kilometers)
• Vehicle Has Multiple Owners-Refer to Department Records to Determine Ownership

**Odometer Legends**

• Actual Mileage
• Exceeds Mechanical Limits
• The Odometer Reading Is Not The Actual Mileage-Warning-Odometer Discrepancy
• Odometer Not Certified
• Exempt
• No Transfer Of Ownership Involved-Odometer Reading Is Not Certified
Title Brands (continued)

- Inoperable Odometer-Odometer Certification Reading Unavailable

- There are two (2) Transaction Codes that will also reflect a brand on the face of the title:
  - 02 This is a Replacement Certificate of Title and May Be Subject to the Rights of a Person Under the Original Certificate
  - 10 SALVAGE Title

- Brands which appear on the title database but not on the certificate of title:

- Returned As Undeliverable by the Post Office
Mississippi Certificate of Title
Florida Certificate of Title
Tennessee Certificate of Title
Arkansas Certificate of Title
Georgia Tag Receipt

STATE OF GEORGIA
MOTOR VEHICLE REGISTRATION

1GTDV14H1EF712794 - 1984 GMC C1500

Tag Number: 687RRE
Expires: 11/30/2000
Tag Fee: 20.00

Valuation: 11186E $840

Title Number: 994593000187020
Eqip. No:

County: 020 District: 02 Mill Rate: 22.6500 Fuel: G

Farm Vehicle? N GVW: Color: BLU

Classification: PASSENGER CAR/LIGHT TRUCKS

Insurance Co: CANAL INSURANCE CO

Policy Number: GAR7291

Customer 1 No: 001011500954 Customer 2 No:

V & W MOTORS
1519 S HIGHWAY 100
BOWDON GA 30108-2815

GEORGIA
2000

687RRE

CHCK

THIS IS YOUR RECEIPT
*** RETAIN FOR TAX PURPOSES ***

Signature: [Signature]

V & W MOTORS
1984 GMC TK
1GTDV14H1EF712794
994593000187020
0200 01/18/2000 $020HRW

TRANSFER TAG FEE
TOTAL FEES PAID

5.00
5.00

(770) 830-5626
CARROLLTON GA 30117-3142
CARROLL COUNTY TAX COMMISSIONER
423 COLLEGE ST ROOM 402

JEAN MATTHEWS

Purch D: 01/14/2000
Military Registration
GS97 Federal Government Certificate to Obtain Title to a Vehicle
IN THE MAGISTRATE COURT OF FULTON COUNTY
STATE OF GEORGIA

Plaintiff

Defendant

CIVIL ACTION FILE NO. 27VFL113329

FILED IN OFFICE

ORDER

This case having come on regularly to be heard before this Court, and the Defendant
having failed to answer within the time provided by law,

IT IS HEREBY ORDERED AND ADJUDGED that foreclosure of lien on

be conclusively established for the full amount sought in Plaintiff's affidavit, in accordance

with O.C.G.A. §§ 40-11-1, et seq., governing abandoned vehicles, that foreclosure thereof

be allowed through public sale, as defined in O.C.G.A. §§ 40-11-1, et seq., that the vehicle be

sold free and clear of any and all liens and encumbrances, and that remaining proceeds, after

satisfaction of lien and cost, be turned over to the Clerk of the Magistrate Court of Fulton

County, within thirty (30) days from date of sale, along with a copy of the Bill of Sale on

each vehicle.

SO ORDERED, this 29 day of NOVEMBER 2019

A L. THOMPSON
Judge, Fulton County Court

BILL OF SALE -- AUTOMOBILE
STATE OF GEORGIA. COUNTY OF FULTON

CASE NUMBER 99VFL113329

Known all men by these presents, that in consideration of

Sale Price $ 225.00  Tax $ 0.00  Total Amount $ 225.00

The receipt of which is hereby acknowledged, we do hereby grant, sell, transfer, and deliver unto

his heirs, executors, administrators, and assigns the following described vehicle:

45 CHEV BLAZ

SOLD AS IS

To have and to hold the same forever; that it is free and clear of all
encumbrances; and has good right to sell vehicle under O.C.G.A.
Title 40-11 Public Sale of Abandoned Vehicles.

NO WARRANTY is expressed or implied as to availability of ability to
obtain title. All notifications have been sent and Certified Copy of
Court Order is available at the State Court of Fulton County to obtain
Tag and Title from county of residence.

In witness whereof, the said grantor has hereunto set his hand this
16th day of December 2019.

(Author's signature)

Notary
Court Order

- Section 32-8-46, Code of Alabama 1975, requires a person or entity initiating an involuntary transfer by operation of law to give notice of the action to the Department at least 35 calendar days prior to the date of the transfer.

- The person or entity shall utilize the Department’s Involuntary Transfer portal in the Motor Vehicle Title, Registration and Insurance Portal (MVTRIP) to report the transfer of ownership.

- The notice provisions shall not apply to a motor vehicle transferred pursuant to a divorce decree, or to a motor vehicle transferred pursuant to documents creating a lien or other security interest in the motor vehicle.

- An application for certificate of title may not be issued for a motor vehicle subject to these provisions until the notice requirements are satisfied.
Bonded Titles

- If the Department is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it, the Department may, as a condition of issuing a certificate of title, require the applicant to file with the Department a cash or surety bond.

- Applicant(s) shall complete a request for an Alabama certificate of title under surety bond pursuant to Section 32-8-36 or 32-20-24(2), Code of Alabama 1975, utilizing the Motor Vehicle Title, Registration and Insurance Portal (MVTRIP). Upon approval of the surety bond request, the applicant(s) will be provided a certificate of title surety bond (form MVT 10-1) to be completed by the applicant(s) and the insurance company issuing the surety bond.
Bonded Titles

Effective May 2, 2012
Standardized Bond Amounts

(a) Trailers:

(1) Less than five (5) model years old - $25,000
(2) Five (5) model years old but less than ten (10) model years old - $10,000
(3) Ten (10) or more model years old - $5,000

(b) Passenger vehicles and pickup trucks:

(1) Less than five (5) model years old - $50,000
(2) Five (5) model years old but less than ten (10) model years old - $25,000
(3) Ten (10) or more model years old - $10,000
Bonded Titles

Effective May 2, 2012
Standardized Bond Amounts

(c) Trucks, buses and recreational vehicles:
   (1) Less than five (5) model years old - $100,000
   (2) Five (5) model years old but less than ten (10) model years old - $50,000
   (3) Ten (10) or more model years old - $25,000

(d) Motorcycles:
   (1) Less than five (5) model years old - $25,000
   (2) Five (5) model years old but less than ten (10) model years old - $10,000
   (3) Ten (10) or more model years old - $5,000
Bonded Titles

Effective May 2, 2012

Standardized Bond Amounts

(e) Manufactured homes:

(1) Less than (10) model years old - $50,000

(2) Ten (10) or more model years old - $25,000

Bonded titles will not be issued to any vehicle that is salvage or was purchased as junk, parts only or without a motor.
Federal Truth-In-Mileage Act

Odometer certification requirements

• Requires that the transferor of a non-exempt vehicle must disclose the odometer reading to the transferee at the time of transfer.
• The disclosure shall concern the accuracy of the mileage reflected on the odometer.
• The transferor shall disclose by checking the appropriate block if the mileage reflected on the vehicle’s odometer is not the actual mileage.
• The transferor must sign and print his or her name to complete the disclosure.
• The transferee must sign and print his or her name to acknowledge the disclosure.
• Prohibits the same person or representatives of the same company from making the odometer disclosure and acknowledging that disclosure.
• Requires that certain language be incorporated in the odometer disclosure.
Federal Truth-In-Mileage Act

Odometer certification exemptions

• Vehicles 10 model years or older. Exemptions begin at the first day in a calendar year.
  • Example: As of January 1, 2018, all 2008 and prior year model vehicles are exempt from federal odometer certification requirements.

• Vehicles with a gross vehicle weight rating of 16,000 lbs. or greater
  • Example: Tractors (18 Wheelers) and Motor Homes and some chassis and cab trucks.

• Vehicles that are not self propelled.
  • Examples: All classes of trailers
Odometer Certification

ASSIGNMENT OF TITLE BY REGISTERED OWNER (not valid unless completed in full) We warrant this Title and certify that the vehicle described herein has been transferred on__/__/____ to the following:

Buyer(s):________________ Address:________________

I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following statements is checked:

1. The mileage stated is in excess of its mechanical limits.
2. The odometer reading is not the Actual Mileage.

[WARNING] ODOMETER DISCREPANCY

ODOMETER READING

SIGNATURE(S): of Buyer(s)-X

PRINTED NAME(S): of Buyer(s)-

SIGNATURE(S): of Seller(s)-X

PRINTED NAME(S): of Seller(s)-

*CAUTION: READ CAREFULLY BEFORE YOU CHECK A BLOCK
Title Assignments

- Each title assignment must be completed in detail at the time of transfer. All information must be provided and no assignment can be left open (not completed). The chain of ownership must be complete.

- Each title assignment must contain:
  - The purchaser’s name and address.
  - The date of sale.
  - Buyer(s) and Seller(s) signatures as well as printed names (only the seller’s signature is required for exempt vehicles).
  - An odometer reading, unless the vehicle is exempt under the Federal Truth-In-Mileage Act.
  - The Dealer License number.
Title Assignments (example)
Re-assignment Supplements

- **Alabama Re-assignment Supplement (MVT 8-3)**
  - Can only be initiated by an Alabama dealer.
  - Can only be initiated when all available assignments have been completed. If an out of state dealer has left the back of a title and initiated a re-assignment supplement form subsequent dealers are prohibited from using any unused assignments on the title. Additional assignments must be made on the re-assignment form.
  - The MVT 8-3 can not be used to correct an error in an assignment.

- **Foreign Re-assignment Supplements**
  - Must be initiated by dealer from state where form originated.
  - If an out of state dealer has left the back of a title and initiated a re-assignment supplement form subsequent dealers are prohibited from using any unused assignments on the title. Additional assignments must be made on the re-assignment form.
Alabama
Re-assignment
Supplement
(MVT 8-3)
Alabama Assignment Correction Affidavit  (MVT 5-7)

• The MVT 5-7 can only be used to correct an error in an individual assignment of title.

• The MVT 5-7 can only be used if the buyer or seller is a licensed Alabama dealer or a legal resident of Alabama.

• The MVT 5-7 can be used to correct either an assignment by registered owner or a re-assignment by licensed dealer.

• The MVT 5-7 must contain both the notarized signatures of the seller and buyer.

• The MVT 5-7 can contain the signature of an attorney-in-fact if that person was party to the original assignment which is being corrected.
Alabama Assignment Correction Affidavit  (MVT 5-7)

- Restrictions on use - MVT 5-7 may not be used:
  - To correct information or errors on the face of the title - a corrected certificate of title must be obtained from the issuing jurisdiction.
  - As a general affidavit, for example a one-and-the-same affidavit - a separate notarized affidavit must be provided for the error.
  - To correct other documents such as a power of attorney - a new document must be provided.
  - When correction fluid appears in any area on the title – a replacement title is required.
  - To correct erasures; including typewriter lift-off – a replacement title is required.
  - To correct alterations caused by heavy lines or blotting out information – a replacement title is required.
  - To correct skips in the chain of ownership – a bonded title is required.
Title Transfers Involving Deceased Owners

• Owner’s estate has been or will be probated.
  – Individual signing on behalf of deceased owner’s estate must provide copy of letters testamentary or letters of administration issued by the probate court.

• Owner’s estate has not and will not be probated.
  – Individual signing on behalf of deceased owner must provide the following documents:
    • Properly completed Affidavit For Assignment Of Title For A Vehicle From A Deceased Owner Whose Estate Does Not Require Probate (form MVT 5-6)
    • Copy of the owner’s death certificate
Affidavit For Assignment Of Title For A Vehicle From A Deceased Owner Whose Estate Does Not Require Probate (form MVT 5-6)
Power of Attorney

Taxpayers may use the MVT 5-13 power of attorney form or a power of attorney form that contains the essential requirements.

To be acceptable by the department, a power of attorney must be an original document, unless otherwise specified by the Department. In the event of multiple transactions, an original power of attorney is required for each individual transaction.
Power of Attorney - Essential Information

Essential information which must be provided on powers of attorney is as follows:

• (a) Date document completed,
• (b) Name and address of individual appointed as attorney-in-fact,
• (c) Original signature of attorney-in-fact (required only if space provided for signature on document),
• (d) Complete description of vehicle, including vehicle identification number (VIN), year, make, model and body type,
• (e) Purpose(s) for which appointment intended (owner shall initial each purpose listed on MVT 5-13 for which appointment is intended),
• (f) Original signature of owner (individual appointing attorney-in-fact) and his/her address, and
• (g) Notarization.
STATE OF ALABAMA
MONTGOMERY COUNTY

DURABLE POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS: That the undersigned, John Doe, of Montgomery County, Alabama desiring to constitute a durable power of attorney, I do hereby make, constitute and appoint my wife, Jane Doe, of Montgomery County, Alabama as my true and lawful attorney-in-fact, for me and in my name, place and stead and as my behalf and for my use and benefit to do, perform and execute all and every act that I may legally do through a attorney-in-fact and every proper power necessary to carry out the purposes for which this power is granted with full power of substitution and resuscitation hereby ratifying and affirming that which my wife, Jane Doe, should lawfully do or cause to be done by herself by virtue of the power herein conferred upon herself.

The rights, powers and authority of my said attorney-in-fact herein granted shall not be affected by disability, incompetency or incapacity of the principal, John Doe, and such rights, powers and authority shall remain in full force and effect hereafter until the death of the principal, John Doe. Any action taken in good faith pursuant to the foregoing authority without actual knowledge of my death shall be binding upon me, my heirs, assigns and personal representatives.

IN WITNESS WHEREOF, as principal, I have signed this durable power of attorney at Montgomery, Montgomery County, Alabama, on this ______ day of _____________, 19.

John Doe

STATE OF ALABAMA
MONTGOMERY COUNTY

I, the undersigned, a Notary Public in and for said County and State, hereby certify that John Doe, whose name is signed to the foregoing durable power of attorney and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this ______ day of _____________, 19.

[Signature]

Notary Public
LIMITED POWER OF ATTORNEY

FROM
JANE DOE
TO

Name

Street or Box No.

City, State, Zip Code

Dated:

SPECIMEN SIGNATURE

Printed Name

Signature

KNOWN ALL MEN BY THESE PRESENTS: That I, Jane Doe, do hereby appoint the person or entity designated in the heading hereof, with the following powers and authorities hereinafter specified:

(A) The power and authority to apply for and obtain certificates of registration and title, licenses and/or renewals, as well as transfer of license plates for property owned by Jane Doe;

It is expressly understood that nothing contained in this Power of Attorney shall be deemed to authorize the Attorney-in-Fact designated herein to underwrite, warrant, endorse or guarantee the debt, performance, obligation or other similar undertakings of any person, corporation, or other entity whatsoever.

IN WITNESS WHEREOF, JANE DOE has executed this Power of Attorney in the County of Montgomery, State of Alabama, on this _______ day of _______ 19 _______.

________________________________________
Jane Doe
Attorney-in-Fact

STATE OF ALABAMA
COURT OF MONGOMERY

Before me, a notary public, in and for said county, personally appeared the above named Attorney-in-Fact, who acknowledged that she did sign the foregoing instrument, and that the same is her free act and deed. In testimony thereof, I have hereunto subscribed my name at Montgomery, Alabama, this _______ day of _______ 19 _______.

My commission expires: _______ 19 _______.

________________________________________
Notary Public
Specific Power of Attorney
Secure Power of Attorney (MVT 8-4)

- The Federal Truth-in-Mileage Act of 1986 permits States to provide a power of attorney form for use by owners when transferring their motor vehicles, and their certificate of title is held by a duly recorded lienholder, or the certificate of title is lost, and a replacement certificate of title must be obtained.
- Such power of attorney can be used to disclose the vehicle’s odometer reading in the assignment of title by the titled owner and will also permit the transferee to complete the assignment of title.
- The odometer disclosure in the title assignment must be exactly as stated in the odometer disclosure made in the power of attorney.
- The Federal Truth-in-Mileage Act of 1986 mandates that the power of attorney, utilized to transfer a vehicle under the above conditions, be printed by a secure printing process.
- The Final Rule issued by the National Highway Traffic Safety Administration (NHTSA) regarding such secure P.O.A., defines an original P.O.A. in such a manner that allows for the use of a multiple-part secure power of attorney form where each part is considered to be an original when the copies are printed on secure paper.
Secure Power of Attorney (MVT 8-4)
Assignment using MVT 8-4 (Section A & B)
Perfection and Release of Liens

• Article Three of the Alabama Uniform Certificate of Title and Anti-theft Act prescribes the exclusive method for perfecting security interests in motor vehicles that are required to be titled under the Act.

• Under Article Three, “a security interest is perfected by the delivery to the department of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the date of his security agreement and the required fee.

• The lien is perfected as of the time of its creation if the delivery is completed within 30 days thereafter, otherwise, as of the time of the delivery.”
Perfection of Security Interest (Example A)

- Lien date is 6/27/2007
- Received date 7/05/2007
- Lien was perfected as of 6/27/2007
Perfection of Security Interest (Example B)

- Lien date is 6/27/2007
- Received date 8/3/2007
- Lien was perfected as of 8/3/2007
Recording an additional lienholder

- Upon request of the owner or subordinate lienholder, a lienholder in possession of the certificate of title shall either mail or deliver the certificate to the subordinate lienholder for delivery to the Department, or, upon receipt from the subordinate lienholder of the owner’s application and the required fee, mail or deliver them to the Department with the certificate.

- The delivery of the certificate does not affect the rights of the first lienholder under his security agreement.
Release of Lien

- Title with Lien Release
  - Signature of authorized representative of lienholder
  - Date of lien release
  - Name of lienholder

- Lien release due to age of lien
  - Liens shall be considered satisfied after twelve years from the date of the security agreement (lien date) as recorded on the certificate of title. This does not apply to liens listed on certificates of title for manufactured homes, travel trailers or vehicles that weigh more than 12,000 pounds gross weight.
Release of Lien

Act 2013-224

Effective – August 1, 2013

Satisfaction of security interest for vehicles 12 model years old:

a. Lien or security interest shall be considered satisfied and release shall not be required after four years from date of the security agreement as recorded on the certificate of title.
   
i. Example: 2000 year model; Recorded lien date – 01/01/2010; Lien released – 01/01/2014

b. Exceptions for security interest listed on:
   
i. Certificates of titles for travel trailers
   
ii. Vehicles that weigh more than 12,000 pounds gross weight

This does not apply to liens listed on certificates of title for manufactured homes.
Release of Lien (continued)

Separate Lien Releases

Lien release must be on letterhead or notarized (if not on letterhead then lien release must include the name of recorded lienholder)

- Lien release must provide the name of the owner(s) with whom the lienholder held a security agreement
- Lien release must identify the vehicle by complete vehicle identification number (V.I.N.)
- Lien release must state clearly that the lien has been released and show date of release
- Lien release must be signed by authorized representative of the recorded lienholder
Repossessions

- The MVT 15-1, (Repossessed Motor Vehicle Affidavit) must be completed by the lienholder when a vehicle is repossessed. The lienholder may assign the vehicle without obtaining a title in his name if his lien is recorded on the face of the title.

- The date of repossession is the date the lienholder recovers the vehicle from the owner.

- The lien on the face of the title should not be released when a vehicle has been repossessed.
## Repossession Affidavit (MVT 15-1)

**Repossessed Motor Vehicle Affidavit and Disposition of Vehicle Under Lien**

<table>
<thead>
<tr>
<th>Type Only</th>
</tr>
</thead>
</table>

### Alabama Department of Revenue
**Motor Vehicle Division**

**Title Section**
P.O. Box 227640 • Montgomery, AL 36122-7640 • (334) 242-9000

This is to certify that the undersigned has repossessed the motor vehicle described above because of the failure of the former owner to meet the obligation for settlement of a lien of Security Interest on said vehicle and that the lien of the Owner was lawfully terminated. The said vehicle was sold or repossessed, pursuant to the terms of the Security Agreement.

**Subscribed and sworn to before me this**

Signed by: [Signature]

**NOTARY PUBLIC**

**AUTHORIZED REPRESENTATIVE**

My commission expires [Date]

NOTE: This affidavit must be submitted as a supporting document when applying for a Certificate of Title for a Repossessed Vehicle.
Repossessions (assignment of title)

Assignment by repossessing lienholder:

• The MVT 15-1 is only a supporting document. The actual transfer is accomplished when the repossessing lienholder completes the assignment by registered owner section on the title.

• A repossessing lienholder who is also a licensed dealer should complete the registered owner section (not the dealer assignment) since the vehicle is being sold as the result of the repossession.
Repossessions (assignment of title)
Repossessions (unrecorded lienholder)

If a vehicle is repossessed before the lien has been recorded on the certificate of title, the unrecorded lienholder must obtain the certificate of title in the lienholder’s name before transferring the vehicle. The following documents must be submitted to title in the name of the unrecorded lienholder:

- Title application in lienholder’s name
- Certificate of title in the name of or assigned to the individual(s) from whom the vehicle has been repossessed
- Security agreement signed by the owner(s)
- Repossession affidavit (form MVT 15-1)
Salvage Vehicles

- **Definition and Requirements found in Section 32-8-87, Code of Alabama 1975.**

- When the frame or engine is removed from a motor vehicle and not immediately replaced by another frame or engine, or when an insurance company has paid money or made other monetary settlement as compensation for a total loss of any motor vehicle, the motor vehicle shall be considered salvage.

- A total loss occurs when an insurance company or any other person pays or makes other monetary settlement to a person when a vehicle is damaged and the damage to the vehicle is greater than or equal to 75 percent of the fair retail value of the vehicle prior to damage.

- Retail value is required to be based upon a current edition of a nationally recognized compilation of retail values, including automated data bases.
Salvage Vehicle Inspection

• The department may issue a certificate of title to any motor vehicle for which a salvage certificate has been issued by this or any other state, and the vehicle has, in this state, been completely restored to its operating condition which existed prior to the event which caused the salvage certificate of title to issue, provided that all requirements of Code of Alabama 1975, §32-8-87, have been met.

• No certificate of title shall be issued for any motor vehicle for which a "junk" certificate has been issued or for a vehicle which is sold "for parts only."
Rebuilt Salvage Vehicles

• A salvage vehicle which has been restored in this state to its operating condition which existed prior to the event which caused the salvage certificate of title to issue shall, upon passing inspection, be issued a certificate of title containing the legend "rebuilt."

• Each salvage vehicle restored or rebuilt in this state which is required to be inspected by the department and for which a rebuilt certificate of title may be issued shall be issued a decal, plate, or other emblem as prescribed by the department to reflect that the vehicle is rebuilt. The decal, plate, or other emblem shall be attached to the vehicle in a place and in a manner prescribed by the department.
Rebuilt Salvage Vehicle Disclosure

- Each person who sells, exchanges, delivers, or otherwise transfers any interest in any vehicle for which a title bearing the designation "salvage" or "rebuilt" has been issued shall disclose in writing the existence of this title to the prospective purchaser, recipient in exchange, recipient by donation, or recipient by other act of transfer.

- The disclosure, which shall be made at the time of or prior to the completion of the sale, exchange, donation, or other act of transfer, shall contain the following information in no smaller than 10 point type: "This vehicle's title contains the designation 'salvage' or 'rebuilt'."
Non-Total Loss Affidavit – MVT 41-5

This affidavit must be submitted as a supporting document when applying for a certificate of title for a non-total loss vehicle acquired by an insurance company in settlement of an insurance claim.

This is to certify that the insurance company listed above has acquired ownership of the vehicle described above due to an insurance settlement with the titled owner. This said vehicle was sold or re-assigned to:

[Blank fields for date of sale, address, etc.]

Sworn to and subscribed before me, this ______ day of ____________, ______.

[Signature]

My commission expires ____________________.
Title Application Guidelines - Owner Information

• Individual - Owner’s name must be entered last name first, followed by the first name and then the middle name

• Individual doing business as a company - Enter owner’s name exactly as outlined above and follow with the abbreviation DBA and the company name

• Company - Enter name of company. May abbreviate Company as CO and Incorporated as INC

• Name of owner must agree exactly with owner’s name on supporting documents.
Title Application Guidelines - Owner Information

- Ownership rights for co-owners must agree with supporting documents
  - Conjunction “OR” designates joint tenancy. (either party may transfer vehicle to a third party)
  - Conjunction “AND” designates tenancy in common. (both parties must transfer vehicle to a third party)
  - If no conjunction is entered between co-owners the Department will interpret ownership as tenancy in common
- No other information is permitted in the Owner Information area.
  - Care of (C/O) is not considered owner information.
  - Account numbers are not considered owner information.
- Owner’s resident address may be omitted if the mailing address and resident address are the same. Otherwise, an Alabama resident address is required.
Reference Information

www.revenue.alabama.gov
Select Motor Vehicle under Divisions and Services tab

Motor Vehicle Division – ALTS and DA support
titles@revenue.alabama.gov

MVTRIP (Motor Vehicle Title, Registration, and Insurance Portal)
https://www.mvtrip.alabama.gov/

Motor Vehicle Division - Records Unit Motor Vehicle Division
mvrecords@revenue.alabama.gov

AIADA (Alabama Independent Automobile Dealers Association)
(205) 942-1000 or (800) 239-2423

ADAA (Automobile Dealers Association of Alabama)
(334) 271-4625
ALTS Overview

• ALTS is more of a wizard based system and user friendly.
• Increasing edits - Reduce errors
• Document Uploading
• ELT (Electronic Lien & Title) – Phase II
ALTS Overview

• ALTS also allows applicants to track the status of their title application via the internet.

• ALTS interfaces with the county license plate issuing systems in order to ensure that owner and operator information on a title matches the owner and operator information on a vehicle registration.
Benefits of ALTS

- Higher focus on accuracy
- Quicker turn-around times
- Application status available online
- Faster resubmission of rejected application
Summary

• Compatible with Internet Explorer, Google Chrome, Firefox etc.
• Make sure you are using a laser printer
• When errors occur, be sure to check all tabs for missing information
• Utilize the Revenue Help Center for support – click on “submit a request” under Contact Us on the Department’s website at www.revenue.alabama.gov
• Videos available at https://www.mvtrip.alabama.gov
Thank you for your attendance

• Please complete ALTS access application if you do not currently have access to ALTS – access to ALTS will be available within 3 to 5 business days