(1) If a motor vehicle or manufactured home that is subject to titling is repossessed by a lienholder, the following procedures must be followed:

(a) For a motor vehicle or manufactured home in Alabama, Form MVT 15-1, Repossessed Motor Vehicle Affidavit must accompany the properly assigned certificate of title.

(b) For a motor vehicle or manufactured home outside of Alabama, an equivalent out-of-state motor vehicle or manufactured home repossession affidavit must accompany the properly assigned certificate of title.

(2) A lienholder that repossesses a motor vehicle or manufactured home without recording their lien on the certificate of title is required to title the vehicle or manufactured home in their name prior to transferring the vehicle or manufactured home. The unrecorded lienholder must provide the following documents to support their application for certificate of title:

(a) Outstanding certificate of origin or certificate of title issued to or assigned to the owner in default.

(b) Copy of security interest agreement.

(c) Form MVT 15-1, Repossessed Motor Vehicle Affidavit.

(3) Pursuant to §32-8-62 or §32-20-42, Code of Ala. 1975, when more than one lien is recorded on the certificate of title, all subsequent liens are subordinate to the first lien. Accordingly, a lien release is not required from a subordinate lienholder recorded on a certificate of title whenever the first lienholder recorded on the certificate of title repossesses the vehicle or manufactured home.

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