

(1) First Lien to be Recorded.

(a) If the lienholder is a designated agent of the department or can qualify as a designated agent in accordance with §§32-8-34 or 32-20-22, Code of Ala. 1975, or rules promulgated thereunder, then form MVT 5-1E, Application for Certificate of Title, must be completed by the lienholder through the Alabama Title System to record the lien.

(b) If the lienholder is not a designated agent and cannot qualify as a designated agent in accordance with §§32-8-34 or 32-20-22, Code of Ala. 1975, or rules promulgated thereunder, then form MVT 20-1, Application for Certificate of Title to Record or Transfer a Lien, must be completed to record the lien. Form MVT 20-1 can only be used when the current certificate of title is an Alabama title and there is no change in ownership of the vehicle in conjunction with the recording of the new lien.

(c) Forms MVT 5-1E and MVT 20-1 must be completed legibly and in their entirety. Form MVT5-1E must be signed and dated by the designated agent and owner(s). Form MVT 20-1 must be signed by the lienholder and owner(s).

(2) The lienholder or designated agent must immediately deliver the application, Alabama certificate of title, supporting documents, and fee, as provided for in §§32-8-6 or 32-20-4, Code of Ala. 1975, to the department.

(3) Second Lien to be Recorded.

(a) Whenever a second lien is to be recorded on a title, the procedures set forth in order to record the first lien will apply. No more than two liens may be recorded on the certificate of title.

(b) Once the application (Forms MVT 5-1E or MVT 20-1) has been signed and dated, it must be delivered to the first lienholder listed on the applications in accordance with §32-8-61, Code of Ala. 1975.

(c) The first lienholder must immediately deliver the application, Alabama certificate of title, any supporting documents, and fee as provided for in §32-8-6, Code of Ala. 1975, to the department.

(4) Assignment and Transfer of First or Second Lien by Lienholder.

(a) In the event the lienholder needs to transfer a lien to another lienholder and there is no transfer of ownership, form MVT 20-1 must be completed regardless of whether the lienholder is a designated agent.

This procedure records the lien interest of the new lienholder and is required to record the lienholder on the Alabama certificate of title. The owner(s) name(s) and original lien date cannot be changed.

(5) The department may authorize designated agents and lienholders to electronically submit title applications and supporting documents in lieu of delivering the original documents to the department.

**Author:** Mike Gamble, Jonathan Lawrence

**Authority:** §§40-2A-7(a)(5), 32-8-3(b)(2), and 32-8-61, Code of Ala.1975.

**History:** **Repealed and New:** Filed March 25, 2010, effective April 29, 2010.

**Amended:** Filed July 30, 2012, effective September 3, 2012.

**Amended:** Filed July 20, 2020, effective September 14, 2020.