



Automobile Dealers Association of Indiana, Inc.

REGULATORY BULLETIN

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BULLETIN # 25

IMPORTANT BMV TITLING UPDATES

Recently ADAI has been receiving multiple calls from ADAI members regarding procedure and policy changes which were heretofore unannounced by the BMV. We have tried to verify these changes in discussions with BMV officials and, where possible, have either verbally confirmed or been officially notified of the following:

- 1. SPEED TITLES MAY BE DELAYED.** Discussions with BMV officials reveal a change in title application processing may delay the usual 24 hour issuance/delivery of 'speed' titles up to 72 hours. The new STARS system passes all title applications, including 'Speed' applications, against the National Motor Vehicle Title Information System (NMVTIS) whereas the old system did not. NMVTIS checks five (5) items (prior title number, vehicle identification number, title brand, odometer brand and theft files) on a title application against a national title data base. If one of the items checked differs from the NMVTIS information, the application is delayed for verification/correction. *For the most part, you may still count on 'speed' titles being issued & available for pick-up within 24 hours.* However, keep in mind they may be delayed up to 72 hours if they don't pass the NMVTIS checks. Please contact BMV's Dealer/Special Sales Division at (317) 591-5305 for availability prior to sending your driver/customers for pick-up.
- 2. COPIES OF CUSTOMER DRIVER'S LICENSE REQUIRED.** The BMV is now requiring copies of your customer's valid driver's license to accompany Power of Attorney forms and applications for duplicate title. It is also required if you are going to apply for your customer's title for them. Please make sure you get a copy of each person's driver's license whose name will appear on the title application.
- 3. SOCIAL SECURITY NUMBER REQUIRED FOR ALL APPLICANTS.** As previously stated, the new BMV 'STARS' system uses the social security number as a common link for all processing programs. If a vehicle is to be titled in the name of two or more individuals, the social security number for each person is required for processing. This is being used to close a 'loophole' in the Indiana Departments of Revenue and Welfare lien addition programs regarding tax delinquencies and child support payment. Make sure to get all required social security numbers from your customers purchasing vehicles.
- 4. OUT-OF-STATE TITLE REASSIGNMENT/ATTACHMENTS.** Recently it has come to our attention that the BMV has changed its policy on out-of-state reassignments and/or attached reassignments. Previously you could have a total of four (4) assignments on an out-of-state title (1 assignment and up to 3 reassignments) as long as the out-of-state title document itself did not indicate no attachments were allowed. This meant if the out-of-state title had room for only one assignment [such as Ohio's title document], you could attach up

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to 3 reassignments before having to apply for title in the dealership name. However, in May 2005 a new BMV manual was made available to STARS license branches which changes that policy. The revised manual states: "Other states' titles may not provide the same number of assignments as Indiana. However, if the title has less than four (4) assignments and does not specify "No Additional Assignments," **a dealer may use one (1) assignment per vehicle by using additional assignment form. After that one (1) assignment the vehicle must be titled.**" Therefore, **when receiving an Ohio title on trade from another dealer, you must title the vehicle in the dealership name prior to resale.**

5. **INDIVIDUAL AND INCORPORATED COMPANY JOINT OWNERSHIP.** BMV has again changed its policy on titling vehicles with joint ownership by an individual and an incorporated company. Previously you could title the vehicle showing both parties ... i.e. John Smith and ABC Motors, Inc. Now you may only indicate joint ownership by using a d/b/a ... i.e. John Smith d/b/a ABC Motors, Inc.
6. **OFF-ROAD VEHICLE C OF O/TITLE ASSIGNMENT** *[Effective January 1, 2006]*. As indicated in ADAI/MDAI Bulletin #5 dated December 15, 2005, licensed dealers may reassign a C of O or title in the name of (or assigned to) the trade-in customer. The appropriate manner of assignment should be as follows:
 - a. The trade-in customer should sign-off the C of O or title in the next reassignment as 'Seller' and indicate the dealer's name in the 'Purchaser' area; and
 - b. The dealer should then use the next available reassignment to indicate the dealership as 'Seller' and his new customer as 'Purchaser'.

This method of reassignment results in a clearer history of ownership.

NOTE: If a dealer wishes to apply for a dealer title for an off-road vehicle traded-in to the dealership prior to January 1, 2006 using a previously assigned C of O or title, he may do so without first obtaining a title in the trade-in customer's name and without paying a \$21 title delinquent fee as long as the dealer's date of purchase is prior to January 1, 2006. This is due to the fact that off-road vehicle titles were optional prior to January 1, 2006, and neither the trade-in customer nor the dealer was required to obtain title.

PLEASE MAKE SURE ALL APPROPRIATE PERSONNEL ARE MADE AWARE OF THE CONTENTS OF THIS BULLETIN. We will attempt to obtain a copy of the newly revised BMV Title Manual as soon as possible. Until that time, we suggest you place a copy of this Bulletin in your ADAI Dealer Title Manual. If you do not have the ADAI Dealer Title Manual, you may download the order form from our website at: www.adai-inc.org .

If you have any questions about any of the information contained in this bulletin, do not hesitate to contact me at ADAI headquarters.