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DEPARTMENT OF TRANSPORTATION

Driver and Vehicle Services Update

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Web site at www.dmv.state.pa.us

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SPECIAL EDITION

MANDATORY ELECTRONIC LIEN AND TITLE PROGRAM

Mandatory ELT Lender Requirements

As of July 10, 2008, all lienholders, including financial institutions, agents and dealers who offer vehicle financing, must be electronically connected to PennDOT in order to perfect their liens and receive Pennsylvania titles electronically. Any lienholders not connected to PennDOT risk rejection of their requests to record liens on Pennsylvania vehicle titles.

Act 113 of 2006, the mandatory Electronic and Lien Title (ELT) law, requires participation by all lienholders, with the exception of individuals and lienholders who are not normally engaged in the business or practice of financing vehicles. If you are a dealer who offers vehicle financing and you want to record your dealership as lienholder on Pennsylvania titles, you must enroll in the ELT Program.

Lienholders need to contract with a PennDOT-approved third party service provider in order to make the ELT connection with PennDOT. Currently there are three approved service providers: FDI Collateral Management, VINtek, Inc., and PDP Group, Inc. Their contact information is available on Form MV-37, "Application for Enrollment/Change in Electronic Lien and Title System," available on the Driver and Vehicle Services Web site at www.dmv.state.pa.us. Click on the Motor Vehicle Information Center, then click on Electronic Lien and Title Program, where the application is located.

Each lienholder must complete Form MV-37 and forward it to the service provider of their choice. When the lienholder has contracted with a service provider and installed the necessary software, Form MV-37 is forwarded to PennDOT with a request for a start-up date. Lienholders will not be able to perfect their liens electronically until they complete the required steps to participate in the program.

Lienholders who are not sure if they must participate in the ELT Program should review the Frequently Asked Questions available under the ELT link on the Driver and Vehicle Services Web site.

ELT Agent/Application Requirements

In order for the ELT Program to work as designed, all aspects of the title application process must be handled correctly. Agents who complete vehicle title applications play a key role in assuring the success of the ELT Program. Agents must be aware of how to properly identify ELT lienholders and complete lien information on applications for Pennsylvania certificate of title.

When a lienholder enters into the ELT Program, a unique Financial Institution Number (FIN) is assigned to the lienholder by PennDOT. The 11-digit FIN must be accurately entered on all applications, along with the lienholder's name and address. **Recording of the FIN is the single most important step in the ELT process and must not be overlooked by agents.**

Every lienholder who is enrolled in the ELT Program should furnish its FIN to the customer or agent handling the paperwork for each vehicle title being encumbered. There are times, though, when the agent is not given a FIN with the payment or lienholder information.

When an agent is not furnished with a FIN by the vehicle purchaser, the agent has an obligation to verify if a lienholder is or is not in the ELT Program. Agents may either call the lienholder, or check the list of participating ELT lienholders on the Driver and Vehicle Services Web site. If a lienholder appears on the list of participating lienholders, the agent must enter the lienholder's name, address and FIN as it appears on the list. If the lienholder does not appear on the list, the agent enters the name and address of the lienholder, and checks the block on the application or Pennsylvania title to indicate the lienholder is not an ELT participant (or writes "Not ELT" where a FIN would be entered). PennDOT staff will review these applications to determine if the lienholder is exempt from ELT participation.

With every title application involving recording of a lien, agents need to follow several steps to ensure the ELT participants receive electronic titles:

1. Ask the purchaser of the vehicle for all loan-related materials supplied by the lienholder, and check for a FIN, or a contact phone number for the lender.
2. If no FIN is provided with the purchaser's loan information, contact the lienholder to ask if their financial institution participates in the ELT Program. If the lender is in the ELT Program, ask for the FIN.
3. If no FIN is provided with the loan information, and no contact number is provided to reach the lienholder by phone, check the current list of ELT participants available on PennDOT's Web site, at www.dmv.state.pa.us. Click on the Electronic Lien and Title Program link under the Motor Vehicle Information Center. All financial institutions participating in the ELT Program are listed there alphabetically with addresses and FINs. All participating lienholders are listed there alphabetically, with lienholder name, address and FIN.
4. When using Form MV-1 with an out-of-state title or certificate of origin, be sure to enter lienholder name, address and FIN in Section D of the form and lienholder name and address where requested on the proof of ownership. A new version of Form MV-1 will require a "Yes" or "No" block to be checked to indicate ELT participation by the lienholder. When the "Yes" block is checked, the FIN must be entered. When the agent verifies the lienholder is not a participant in the ELT Program, the "No" block is checked, and no FIN is entered. The current version of Form MV-1 requests the FIN and a block to be checked to indicate it is an ELT. On this version of Form MV-1, if the lienholder is not an ELT participant, the agent can write "Not ELT" where the FIN is requested.
5. When using Form MV-4ST with a Pennsylvania certificate of title, lienholder name, address and FIN must be entered in Section D of the Pennsylvania certificate of title. On older versions of the Pennsylvania title, there is no space for the FIN, but it must still be written in the lien information section. If no FIN is entered, the application will be rejected, unless the agent indicates the lienholder is not an ELT participant. Writing "Not ELT" in Section D is acceptable on titles that have no space for a FIN, or a check block to indicate it is or is not ELT.
6. If the lienholder indicates it is not a participant in the ELT Program, and the lienholder's name does not appear on the Web site list of participants, a FIN does not need to be entered on the title application. The agent indicates "Not ELT" on the title or application.

NOTE: Agents who complete title applications are not required to verify if a lienholder should or should not participate in the ELT Program. **Agents are required only to verify if the lienholder is or is not enrolled in the program by checking the list of ELT participants.** When writing "Not ELT" on a title application, an agent is indicating the official list of ELT participants on the PennDOT Web site was checked and the lienholder is not on the list. PennDOT staff will audit title applications to ensure ELT Program requirements are met by agents and lienholders.