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Driver and Vehicle Services Update

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pennsylvania
DEPARTMENT OF TRANSPORTATION

BULLETIN NO. 10-07

AUGUST 2010

SPECIAL EDITION

LIEN PROCEDURE CHANGES FOR ON-LINE AGENTS

On Aug. 23, 2010, PennDOT system and procedural changes for recording liens will become effective for all agents who process title transactions on-line.

Effective that date, any agent who attempts to process a title with a lien, but does not enter a Financial Institution Number (FIN), will not be able to complete the on-line title transaction. Agents who complete Form MV-1, "Application for Certification of Title" or a PA title (with Form MV-4ST) with a lien, will be able to complete on-line title transactions when the FIN is entered for lienholders enrolled in the Mandatory Electronic Lien and Title (ELT) Program. When a title application includes a lien, and no FIN is entered when doing the on-line transaction, an agent will not be able to complete the title transaction on-line. A system error message will display, indicating the transaction cannot be completed without a FIN.

All applications for title that include a lien and no FIN for the lienholder **MUST** be forwarded to PennDOT for review. Agents may still issue registration products to customers in such cases; however, the actual processing of the application must be done by authorized PennDOT staff, who will review lien information before processing or rejecting applications.

This requirement also applies to lien maintenance transactions. Agents will not be able to complete processing of any lien maintenance transaction without entering a FIN for the lienholder. This includes transactions to add, delete or modify a lien, or to assign a security interest from one lienholder to another.

All agents must continue to follow existing procedures for obtaining the FIN when entering lien information on a title application. Anytime an agent is given lien information, but no FIN, the agent is required to look up the name of the lienholder on the list of participating financial institutions found on PennDOT's Driver and Vehicles Services website at www.dmv.state.pa.us. Select the Electronic Lien and Title Program link under the Business Partner Info Center. If the lienholder's name is on the list, agents **MUST** enter the FIN from the list on the title application, and on-line agents **MUST** enter the FIN when processing the title transactions. Lienholders who are enrolled in the Mandatory ELT Program cannot be permitted to choose paper titles for any reason when perfecting a lien on a vehicle title.

Agents may enter lien information on an application without a FIN only when the lienholder's name and correct address cannot be found on PennDOT's list of participating financial institutions, and only after the agent has contacted the lienholder directly to request a FIN. PennDOT staff will also continue to monitor title applications and the issuance of paper titles with liens. Appropriate action will be taken with agents who fail to properly complete paperwork.

These changes are necessary to ensure compliance with the requirements of the Mandatory ELT Program, and will reduce the excessive number of paper titles issued to lienholders.

**EMPLOYERS ARE REQUIRED TO ENSURE ALL EMPLOYEES RECEIVE
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