

## Lien Releases for Vehicles With Electronic Titles

**Effective: Immediately**

### New Policy

Paper documentation can no longer be accepted to release a lien recorded in the Electronic Lien and Title (ELT) program. A lienholder's release of interest on vehicles with electronic (paperless) titles can **only** be processed via the ELT program.

**NOTE:** Department of Motor Vehicles (DMV) field offices, business service centers, headquarter units; Auto Clubs; and Business Partner Automation (BPA) program participants can no longer process lien releases with a Lien Satisfied/Legal Owner/Title Holder Release (REG 166) form and/or Application for Duplicate or Paperless Title (REG 227) form when a paperless title is present.

### Procedures

Continue to follow procedures in the *Vehicle Industry Registration Procedures Manual* when processing applications for ELTs.

When an application contains a REG 166 and/or a REG 227 to release a lien, follow the procedures below.

| <i><b>If the Database</b></i>              | <i><b>Then</b></i>                                                                                    |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Indicates "Paperless Title"                | Refer the customer to their lienholder to obtain a title.                                             |
| Does <b>not</b> indicate "Paperless Title" | Continue to follow current procedures in the <i>Vehicle Industry Registration Procedures Manual</i> . |

### Background

The DMV ELT program allows a lienholder's title information to be held in an electronic format in DMV records. When the lien is satisfied, the lienholder electronically notifies DMV to release a title. After a review of ELT records, it was discovered that some lienholders had their electronic liens removed without their knowledge, when REG 166 and REG 227 were used together to fraudulently release the lienholders interest.

The REG 166 and REG 227 forms will be revised and the *Vehicle Industry Registration Procedures Manual* and *How To* brochures will be updated to reflect the new information.

### Distribution

Notification that this memo is available online, at **www.dmv.ca.gov** under Publications was made via California DMV's Automated Email Alert System in September 2016.

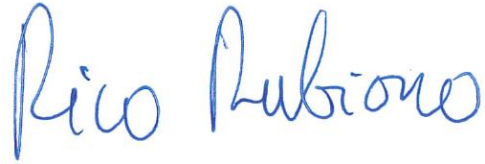
### References

*California Vehicle Code* §§1801-1801.1 and 4450.5

*Vehicle Industry Registration Procedures Manual*, Chapters 1, 11, 14, 18, and 24

**Contact**

Call the DMV Customer Communications Section, at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.

A handwritten signature in blue ink that reads "Rico Rubiono". The signature is written in a cursive, flowing style.

RICO RUBIONO, Deputy Director  
Communication Programs Division