

NOTICE OF PROPOSED GUIDANCE DOCUMENT

Financial Institutions

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on Financial Institutions s.779, Trans 156, a proposed guidance document.

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to the Wisconsin Department of Transportation for 21 days by:

1. Department's website:

<https://appengine.egov.com/apps/wi/dot/guidance-docs?guidDocId=DMV316>

2. Mailing written comments to:

Division of Motor Vehicles
Wisconsin Department of Transportation
4822 Madison Yards Way
PO Box 7336
Madison, WI 53707-7336

WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

The final version of this guidance document will be posted at wisconsindot.gov to allow for ongoing comment.

AGENCY CONTACT

DOTDMVGuidanceDocs@DOT.WI.GOV



State of Wisconsin Department of Transportation

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Financial institutions

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These resources are designed to provide support for Wisconsin lenders and financial institutions that serve Wisconsin motor vehicle customers.

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- [Electronic titles](#)

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- [How do I get started processing?](#)
- [Tips and tools for financial institutions](#)

What's new for Wisconsin lenders

Missing imaging work notice

Effective January 2015, WisDOT started notifying dealers, lenders and agents who process title applications of any missing work that needs to be submitted for imaging. Notification will be by U.S. mail to the primary business address on our records.

If required paperwork has not been received in a timely manner, letters will be sent listing which applications are missing. All processing agents are required by contract to submit certain completed title applications the first business day following processing. Failure to do so may cause WisDOT to deny electronic processing access, resulting in additional fees and/or surcharges.

Applications and receipts for replacement titles, repossessions, and title transfers must be mailed to WisDOT for imaging. These transactions produce title numbers that start with a number 1, such as 15182A001001-9. Applications for title numbers that start with the letter "S" do not need to be mailed to WisDOT for imaging.

If you have any questions regarding submitting completed work, please contact the Agent Partnership Unit at AgentPartnershipUnit@dot.wi.gov.

Title to lien holder

Starting July 30, 2012, Wisconsin Division of Motor Vehicles (DMV) started delivering titles to lien holders in accordance with statute changes. Any title with a lien will be sent to the lien holder rather than the owner. Lien holders can choose to have either paper titles or electronic titles.

If a vehicle has multiple liens, the liens will be listed on titles in date order. The title will be delivered to the lien holder whose loan was listed first; however, each lender will have equal repossession rights to the vehicle. Each lender will continue to receive a Confirmation of Security Interest (Lien) Perfection notice.

Electronic titles

On July 30, 2012, Wisconsin also became an electronic title state. When a lien is listed against a vehicle, lien holders are encouraged to receive titles electronically via electronic service provider. The advantage to electronic delivery is that, in these cases, Wisconsin will not issue a paper title until the lien is satisfied, reducing paper handling costs.

For more information, please visit the [DMV Title to lien holder](#).

Electronic lien processing

Wisconsin liens required to be processed electronically

Non-individual lien holders have been required to electronically process lien add and lien release



Vehicles at a local car dealership

transactions for Wisconsin customers since July 1, 2010. Some transactions are exempt by departmental rule.

Lien holders are not required to process applications to list a lien when it is part of any other title transaction, such as change of ownership, repossession, private sale or replacement title. Additionally, a transaction will be classified as exempt if the secured party is unable to process due to incidents associated with processing or if technology does not exist for the secured party to electronically process.

If an existing financial institution added 48 or fewer liens in the previous calendar year, it may be exempt from the electronic processing requirement. If the financial institution is exempt and chooses not to electronically process, there will be an additional \$5 fee per application manually processed by DMV.

If a financial institution is not exempt, it will be assessed a \$20 surcharge for each application submitted to DMV for processing that can be completed electronically, in addition to the \$5 manual processing fee. This surcharge cannot be passed on to the customer. Newly established non-individual lenders are required to process electronically and will have 30 days to comply with the processing requirement.

How do I get started?

The first step is to choose a processing program. Wisconsin DMV is pleased to offer three options for electronic processing.

- CVR
- Dealertrack
- [eMV Agent](#)

More information is available on the [Title & Registration processing page](#).

What types of applications are required to be processed electronically?

Transactions that are non-exempt and should be processed electronically:

- All vehicle types and body styles
- Vehicles with VINs less than 17 characters
- Vehicles with assigned or inconsistent VINs
- Multi-stage vehicles
- Vehicles with any plate or registration type
- Vehicles with incidents that only affect registration

Transactions that are exempt from electronic processing:

- Change of ownership
- Vehicles with salvage brands
- Incomplete or invalid title status, such as in-progress or restricted due to incidents
- Wisconsin title with no record on database
- Adding two or more lien holders
- Adding a third or subsequent lien to the record
- Vehicles with a No-Wisconsin-Title Issued
- More than two owners exist on the record

The Request for Manual Processing - Dealer & Agent form [MV2132](#) lists several common incidents or technology limitations. This form should accompany all applications mailed to WisDOT for manual processing.

How do I handle the paperwork?

Since July 2010, an "S" title number, such as S0182A001001-9, is issued when a lien add

transaction is completed electronically by a secured party. Law requires the secured party to destroy the previous title provided by the customer after 60 days. No lien confirmations will be generated from electronic title transactions that issue an "S" title number.

Titles and applications for electronic lien adds and releases will not be imaged and should not be mailed in. **Applications and receipts for replacement titles, repossessions and title transfers must still be mailed to WisDOT for imaging.**

As no lien confirmations will be generated for "S" titles, use the Inquiry function on your electronic processing system, or use WisDOT's lien look-up program to verify your lien is on the record.

What about the lien release?

Statute 342.22(1) states that the secured party shall deliver to the vehicle owner a notice stating that the release has been provided to the department within 30 days, or within 10 days if requested in writing. Letters on letterhead or printed copies of the system-generated confirmation of the lien's removal are acceptable notices. This notification may also be done electronically. If you choose to write a letter, please include the year, make, and VIN, as well as the date of the lien satisfaction.

Tips and tools for lenders

- [Mandatory lien holder processing FAQs](#)
- [eMV Agent user manual](#)
- Automated Processing Partnership System (APPS) manuals and instructions:
 - [Computerized Vehicle Registration \(CVR\)](#)
 - [Dealertrack](#)
- [Lien look up program](#)
- Lender listserv: See "Where to get help" below

Where to get help

Sign up for our lender email list to receive WisDOT news and updates via email.

Subscribe to WisDOT's lender mailing list.
Enter your name and email address in the boxes below and click subscribe.

Email address (required):

Your name (required):

[subscribe](#)

If you are unable to subscribe to the list or if you have questions about the list itself, please email: AgentPartnershipUnit@dot.wi.gov

If you have questions about mandatory lien processing or questions in general:

Email [Wisconsin DMV email service](#)

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Support

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WisDOT Employees

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- WisDOT LearnCenter

