

## **NOTICE OF PROPOSED GUIDANCE DOCUMENT**

### **Lien Holder Processing FAQs**

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on Lien Holder Processing FAQs 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=DMV317>

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 [wisconsin.gov](http://wisconsin.gov) to allow for ongoing comment.

### **AGENCY CONTACT**

[DOTDMVGuidanceDocs@DOT.WI.GOV](mailto:DOTDMVGuidanceDocs@DOT.WI.GOV)



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# Lien holder processing FAQs

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## Questions on lien holder processing?

Lenders have a new  [Lien Holder Processing FAQ sheet](#) for Title-to-Lien-Holder (TTLH) information.

Since its inception in 2012, the Dealer and Agent Section has worked with lending institutions to help them understand the process and requirements for adding a lien. Through those efforts we

developed a comprehensive fact sheet to help lenders find the answers they need. Topics include general information, how you will receive your title, policies, "mail-to" information, printing and electronic title and processing.

## What is mandatory lien processing?

Effective July 1, 2010, non-individual secured parties are required to electronically process straight lien adds and releases that are not part of a title transaction (no change of ownership), unless the transaction is exempt or the secured party added 48 or fewer liens in the previous calendar year. The secured party is required to pay a fee and, in some cases, an additional surcharge for each non-exempt application it requests DMV to process.

## What is an exempt transaction?

A transaction is classified as exempt if it involves a transfer of ownership, if the secured party is unable to process due to incidents associated with processing (incomplete titles, etc.), or if technology limitations do not allow the secured party to electronically process.

## How will a secured party know which transactions are exempt?

The Mail to DOT form lists several common incidents or technology limitations. This form should accompany all applications mailed to DMV for manual processing. Vendor system help desks will have a list of exempt transactions, and DMV will post a list on its website. Additionally, DMV recommends sending your customer a lien release if the transaction is unable to be processed electronically.

## Why do some title numbers begin with S?

As of July 1, 2010, an S title number (sample: S0182A001001-9) is issued when a lien add transaction is completed electronically by the secured party. Per [Statute 342.245](#) and [Trans Rule 148](#), the secured party shall destroy the previous title that was provided by the customer after sixty days. The previous title and application will not be imaged. No lien confirmations will be generated from electronic lien transactions that result in an S title number being issued.

Applications and receipts for replacement title transactions, repossessions, or title transfers must still be mailed to DMV for imaging.

## How can I verify my lien is on the record if no lien confirmations will be generated on S title numbers?

You may use the Inquiry function on your electronic title processing system (CVR, eMV Agent, DealerTrack), or use [WisDOT's Lien search](#).

## How will I know if my lending institution added more than 48 liens last year?

A report is generated at the beginning of the year. Letters will be mailed to the address on record for agencies that added more than 48 liens the previous year.

## What is a secured party required to send an owner when the lien is released electronically?

[Statute 342.22\(1\)\(b\)](#) states that the secured party shall deliver to the owner a notice stating that the release has been provided to the department. A letter on letterhead or a printed copy of the system generated confirmation that the lien was removed from Wisconsin DOT records are acceptable notices. If the title was held by the lien holder (effective date July 30, 2012) a new title will be issued and mailed by DOT within 30 days of the lien being satisfied.

## Will any secured parties be prohibited from processing electronically?

Trans 148 allows DMV to deny a secured party the authority to process electronically if DMV has reasonable cause to conclude that the accuracy or timeliness of the security interest filings or releases performed by the secured party is insufficient. The status of these secured parties will be

non-authorized. They will be required to pay the \$5.00 processing fee and the \$20.00 surcharge for each non-exempt lien add transaction completed by DMV.

## What additional fees do secured parties pay if DMV processes the transaction? Can the fee be passed on to the customer?

If the transaction is exempt due to holds or technology limitations, there is no additional charge.

If a low volume secured party (48 or fewer lien adds per calendar year) has DMV process a non-exempt transaction, there is a \$5 fee in addition to any counter fee that may apply. The \$5 may be passed on to the customer.

If a secured party with more than 48 lien adds per calendar year has DMV process a non-exempt transaction, there is a \$5 fee plus a \$20 surcharge due, in addition to any counter fee that may apply. The \$20 surcharge may not be passed on to the customer. The \$5 or \$25 is not a substitute for counter service fees due.

## How will the additional processing fee and surcharge fees be disclosed on the MV1 application?

Section D of the MV1 application will be revised to include a line titled "Processing Fee." Instructions on the MV1 will explain when the \$5, or \$5 plus \$20, processing fee is due. Secured parties can exhaust their supply of old MV1 forms before using the revised form.

## What is the difference between the \$5 or \$25 processing fee and the \$19.50 APPS (Automated Processing Partnership System) fee that appears on the MV1?

The \$5 or \$25 is the fee due to DMV for manual processing of the transaction. The \$19.50 APPS service fee is a fee that the customer pays to a secured party that completes their transaction via a private vendor processing system (CVR or DealerTrack). There is no service fee charged to the customer when an application is processed through eMV Agent.

## What if a secured party makes an error when processing a transaction?

If the error is discovered the same day, the secured party may reset the transaction until 8 p.m. If the error is discovered after the day it was processed, the secured party should contact the Agent Partnership Unit (608) 266-3566.

## Where can my agency get information and contact information regarding the electronic processing options available?

Information on the processing options and contacts information for each option available to you can be found on our [financial institutions page](#).

## Questions?

**Email** [Wisconsin DMV email service](#)

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