

# Electronic Lien Release Non-Exempt Lien Holders

**Wisconsin Department of Transportation**

Division of Motor Vehicles

Virtual Informational Meetings

**Sessions: 11/8, 11/11 & 11/18**



# Electronic Lien Releases

- Why are we having this change?
  - Increase of fraudulent lien releases
  - Provides another layer of protection
  - Compliance with the law



# Wisconsin Statutes & Admin (Transportation) Rules:

- Electronic processing of certain applications, was passed in July 2009:

## [342.245](#) Electronic processing of certain applications.

(1) Except as provided in sub. (3), a secured party shall file a security interest statement and pay the fee under s. [342.19\(2\) \(a\) 2.](#) and deliver a release of a security interest under s. [342.22 \(1\) \(b\)](#) utilizing an electronic process prescribed by the department under sub. (4).

(2) Upon receipt of a certificate of title as provided in s. [342.20 \(1\)](#), a person required to file a security interest statement under sub. (1) shall destroy the certificate of title.

(3) The department may, by rule, exempt a person or a type of transaction from the requirements of sub. (1). Any person who is exempted under this subsection shall pay a fee to the department for processing applications submitted by the person under s. [342.19 \(2\) \(a\) 1.](#) and releases submitted under s. [342.22](#), utilizing a process other than an electronic process.

(4) The department shall promulgate rules to implement and administer this section.



# Wisconsin Statutes & Admin (Transportation) Rules:

- Electronic recording and release of liens by non-individual creditors
  - Chapter Trans 148

## [Trans 148.03](#) Requirement to file and release security interest statement electronically.

(1) Unless exempt under s. Trans 148.06, a non-individual secured party is required to file all its security interest statements and release all its security interests on Wisconsin vehicle titles electronically as an update to the vehicle title record in the DMV database.

(2) A non-individual secured party that is releasing security interests and filing security interest statements on a vehicle that is not being transferred shall use either the e-MV Agent Internet-based web application established by the department or the vendor provided interface under the APPS program, as authorized under s. Trans 148.04.

(3) A secured party who is processing an application for a certificate of title as an agent in the APPS program under ch. Trans 156 may file the security interest statement as part of title processing, as authorized under s. Trans 148.04. In the event that a security interest is part of a certificate of title application that a motor vehicle dealer is processing under ch. Trans 141 or 156, or that the DMV is processing, the secured party shall release the security interest electronically.



# Wisconsin Statutes & Admin (Transportation) Rules:

- Electronic recording and release of liens by non-individual creditors
  - Chapter Trans 148 {continued}

## [Trans 148.03](#) Requirement to file and release security interest statement electronically.

(4) A non-individual secured party using DMV's e-MV Agent Internet-based web application shall apply to the DMV on the DMV application form and shall comply with all applicable requirements, including those related to persons who have access to information subject to the federal driver privacy protection act, 18 USC 2721-2725.

Note: The DMV e-MV Agent Application Form is available on-line at the DOT web site [www.dot.wisconsin.gov/business/dealers/emvagent](http://www.dot.wisconsin.gov/business/dealers/emvagent).

(5) A non-individual secured party that has not previously filed a security interest statement on a Wisconsin title shall apply to the department for a secured party number and shall apply to file security interest statements electronically. The secured party shall begin processing security interest statements electronically within 30 days after the effective date of the DMV-assigned secured party number.



# Wisconsin Statutes & Admin (Transportation) Rules:

- Title to lien holder became effective 7/30/2012:
  - 342.09 When department to issue certificate and to whom; maintenance of records.
    - (1)
      - (a) The department shall maintain a record of each application for certificate of title received by it and, when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a certificate of title, shall issue and, except as provided in par. (b), deliver a certificate to the owner of the vehicle.
      - (b) If there is a perfected security interest in a vehicle, the department shall deliver the certificate of title to the secured party having the primary perfected security interest in the vehicle.
- Lien holders were allowed to select how titles were received – paper or electronic.



# Wisconsin Statutes & Admin (Transportation) Rules:

- Even if receiving paper titles, effective January 2025 a NON-EXEMPT lien holder will need to release their liens electronically as outlined in Wisconsin statutes and Admin (Transportation) rules:

## [342.245](#) Electronic processing of certain applications.

(1) Except as provided in sub. (3), a secured party shall file a security interest statement and pay the fee under s. [342.19\(2\) \(a\) 2.](#) and deliver a release of a security interest under s. [342.22 \(1\) \(b\)](#) utilizing an electronic process prescribed by the department under sub. (4).

## [Trans 148.03](#) Requirement to file and release security interest statement electronically.

(1) Unless exempt under s. Trans 148.06, a non-individual secured party is required to file all its security interest statements and release all its security interests on Wisconsin vehicle titles electronically as an update to the vehicle title record in the DMV database.



# Questions from lenders:

- Change is protecting the lien holder for titles that were issued after title to lien holder. What about titles that were issued prior to 7/30/2012?
  - Pre-title to lien holder, owner received the title, lien holders were issued a T084 Confirmation of Security Interest (LIEN) Perfection. The T084 can be used to release liens prior to this date.
  - Any liens after 7/30/2012 for a NON-EXEMPT lien holder must be released electronically, regardless if title received was paper or electronic.





# Questions from lenders:

- Paper title held by a lien holder after 7/30/2012, when the lien is released electronically a new title is printed and delivered by mail. We are required to keep the paper title for 60-days and destroy it because a new title is issued. In this same situation, what happens if the paper title is misplaced or lost?
  - A replacement title can be applied for by the title holder, which can be the lien holder if the lien is still current or the owner if the lien was released.



# Questions from lenders:

- How do I know if I'm exempt or non-exempt?
  - You may send an email to [dotvri@dot.wi.gov](mailto:dotvri@dot.wi.gov). We will review your transaction record and let you know which category you fall into.
    - ★ **SUBJECT LINE: 2025 Electronic Lien Release**
  - We are reviewing other options to see if we can publish a report that can be reviewed.



# Questions from lenders:

- Is a signed paper title/lien release ok to use when releasing lien?
  - An EXEMPT lien holder can release their lien on the paper title.
  - A NON-EXEMPT lien holders are required to release their lien electronically and destroy any paper title previously issued.



# Questions from lenders:

- We have customers that come in to pay off their loan and need the title right away for a buyer. The buyer can't wait for the title to come in the mail, and they are not able to get to a DMV office before the title is printed in Madison if we release electronically. In those cases, we would provide a paper lien release letter because releasing electronically would not work for them. What would be the preferred way to handle these situations going forward?
  - You will be required to release the liens electronically.
  - WisDOT's website will be updated to reflect enforcement of WI statutes and rules



# Questions from lenders:

- Are paper lien releases still acceptable for out-of-state titles?
  - Yes.



# Questions from lenders:

- 10-15 years ago, we had a number of mergers where the liens stayed in the merger credit union name. For those we did not have access to release electronically and had to issue a paper lien release or stamp a title paid. Will those still be acceptable?
- A number of our mergers back then did lending through FILO, which is a third-party company that facilitated dealer loans for smaller credit unions. The liens were in FILO's name, but the credit union had authority to sign a paper release on their behalf on FILO letterhead when the loans were paid. Most likely we have very few of those loans left open, if any, but if we do need to release one how should we do them since we do not have electronic authority for FILO?
  - Email [dotvri@dot.wi.gov](mailto:dotvri@dot.wi.gov). We will review and do outreach to confirm validity and process the release for you.



# Questions from lenders:

- If a title has more than two owners listed, the system will not allow us to release the lien electronically. We always had to produce paper lien releases for those. How should we handle those in the future?
  - Two liens listed....the system allows release of one lien at a time electronically.
  - More than one owner, has no affect with releasing the lien.



# Questions from lenders:

- When refinancing with another institution, often times, the other bank/credit union provided us a paper title with a paper lien release. Are we ok to proceed with our Add/Release Lien deal as we previously have done?
  - Yes.





# Questions from lenders:

- How do we get lien releases in situations where the lien holder on file has sold off the loan to another vendor? We're having issues when the lender not on record is refusing to deal with us even though the check has been cashed.
  - Outside the scope for this process.
  - If the original lender is re-assigning their lien to another lien holder the process outlined in [342.21](#) Assignment of security interest, should be followed by both lien holders.



# Questions from lenders:

- Sometimes customers insist on a signed lien release on paper. We still release the lien electronically, but is it still ok for us to provide the paper release to the customer for their records?
  - Yes, but this (paper) release should not be provided to the department.



# Questions from lenders:

- DCF – Child Support Lien releases how will these be handled?
  - WisDOT is meeting with DCF regarding how they are releasing their liens. Paper lien releases will continue to be accepted at this time.



# Questions from lenders:

- If we have previously sent the title to our customer and they have lost the title. How would we go about helping them get the lien off of the vehicle? We get requests for lien release letters that we have sent the title out years ago. How should this be handled?
  - Complete an inquiry check to see if the lien is still listed, if lien is still listed and is paid release it electronically to the customer a new title will be issued.
  - If lien has been released the customer would need to apply for a replacement title.



# Questions from lenders:

- If the member moved since taking out their loan and told the financial institution but did not get their address updated with the DMV, how would we know what address the title is going to, if not using the one-time mailing address?
  - Best business practice is to verify the customer's address, use the one-time mailing address to ensure delivery.
  - If no checks of the address is made or one-time address is not keyed, the title will go to the address on file with WisDOT.



# Questions from lenders:

- What if the address cannot be verified or has a 6-digit PO Box?
  - All systems that allow for releasing the lien have the ability to override an address that you have verified is correct with the customer.
  - A 6-digit PO Box will need to be overrode and listed in the street address area of the one-time standalone lien release section.



# Questions from lenders:

- We are getting more and more lenders that are taking longer than the legal release of 10-days or not releasing the title to us either due to error or sending to the previous owner. What can be done to handle these situations?
  - Situations like this are between the customers and lien holders.
  - Releasing liens electronically will reduce wait times for receipt of a clear title.



# Questions from lenders:

- Sometimes other financials do not follow through releasing their lien and they provide us with a lien release letter. We had used the MV2922 in the past to get a free and clear title. Will we still be able to use the MV2922 along with the lien release?
  - The MV2922 Permission to Receive Title and/or Registration form can be used to list who should receive the title.
  - NON-EXEMPT lenders still need to release their liens electronically, use the mail to address to direct where the title should be delivered.





# Questions from lenders:

- Do out of state lenders who do business in Wisconsin, also have to follow the exempt / non-exempt rule? For example: ABC Bank from California processes enough to be non-exempt, and they insist on only doing paper lien releases, what guidance do you have for this?
  - The bank/lender would be considered **NON-EXEMPT** and is required to release their liens electronically.



# Questions from lenders:

- If a borrower is trading a vehicle to a dealer and the lien holder has a paper title, can the lien holder sign off the title and give it to the dealer?
  - **NON-EXEMPT** lien holders should be releasing the lien electronically.
  - Upon release of the lien electronically a new title is issued and voids any previously issued title – paper or electronic.



# Questions from lenders:

- Are more organizations going to electronic, will this delay releasing / getting clear title longer?
  - WisDOT prints titles 3 times during the week, titles are printed and mailed within 1-2 days of being printed. Allow ten business days for the title to be delivered to the customer.

WisDOT TITLE PRINT SCHEDULE		
PROCESSED	PRINTED	MAILED
MONDAY	TUESDAY	THURSDAY
TUESDAY	- AFTER 8PM -	
WEDNESDAY	THURSDAY	FRIDAY or MONDAY
THURSDAY	- AFTER 6PM -	
FRIDAY	SATURDAY	TUESDAY
SATURDAY	- AFTER 6PM -	



# Questions from lenders:

- Please clarify if an immediate lien release is still possible.
  - Yes, using eMV Partner system or vendor system that is not ELT/ESP processing.



# Questions from lenders:

- We opt to receive electronic titles and we go through a vendor to house electronic titles and also electronically release our lien. Is the title information schedule timeline the same expected timeline when release with this vendor? Or is there a different timeline varies by vendor?
  - WisDOT's print schedule does not change. Once the vendor submits the lien release a new title is processed and goes into the next scheduled title batch for printing.



# Questions from lenders:

- If we are financing a new loan for a buyer who has purchased a vehicle from a seller that has a lien on it and we do not have the lien release from the financial institution, can we mail the MV1, check and MV2488 so that the transaction gets the vehicle registered in the buyer's name? Would the transaction be 'pended' and a letter sent to the new owner and lender stating documents are still needed?
  - No policy upfront is changing, title would still be required. Yes, transaction would be pended if more documents or fees were necessary to complete processing of the new application.



# Questions from lenders:

- Private sales with electronic lien release. Seller has to wait to get title in the mail and the new buyer doesn't get lien holder placed on the vehicle, how is this handled?
  - Process isn't changing. A lien holder must have the title in hand to add lien. The lien holder will need to work with the customer.



# Questions from lenders:

- Does the electronic lien release change the process for repossessions?
  - Process isn't changing and is not affected by this update.





# Questions from lenders:

- When the lien is released, the title can be sent to the buyer of the vehicle. Can you confirm that the MV2488 form would be used for the new buyer to obtain the seller's signature?
  - Yes, the MV2488 or the original title can be used to transfer ownership of the vehicle.
  - If the buyer doesn't have the signed title, the buyer may bring: MV2488, Replacement Title Application (filled out by seller) - \$20.00 +\$5.00 counter fee, permission to pick up title signed by seller, bill of sale (if provided by seller), MV1, all appropriate fees.



# Questions from lenders:

- Private party sale, the seller has a paper title and paper lien release, do they need a new title with no lien listed?
  - No, any titles received with proper lien release (signatures) documents will be accepted for EXEMPT lien holders.
  - NON-EXEMPT lenders must release their liens electronically once the lien is satisfied. *Any paper titles should be destroyed.*
  - The one-time mailing address for delivery of the clear title should be used to ensure the proper party receives the clear title.



# Questions from lenders:

- Can we sign the actual title release section and give to the customer instead of doing an electronic release if the customer needs the title right away?
  - If NON-EXEMPT, must release lien electronically.
    - [Trans 148.03\(1\)](#) - Unless exempt under s. Trans 148.06, a non-individual secured party is required to file all its security interest statements and release all its security interests on Wisconsin vehicle titles electronically as an update to the vehicle title record in the DMV database.



# Questions from lenders:

- Many members currently walk into a DMV office to get a paper title after the lien is released electronically (same day). They may have just met with the buyer and want to sign over the title then. Will this still be allowed?
  - The vehicle owner on DMV record can come into the station same day as long as the non-exempt lender has electronically released the lien to obtain the clear title.
  - The counter service fee of \$5.00 will be charged, then the seller can sign over the title to the buyer.



# Additional questions?

# DOTVRI@dot.wi.gov

**SUBJECT LINE:** 2025 Electronic Lien Release

