



FAQ: Wisconsin's bonded title process

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1. I am the legal owner of a vehicle for which I have a title. However, the individual who sold me the vehicle is not the last titled owner. Can I get a title in my name?

For a vehicle purchased with a title but without a proper chain of ownership, we recommend you rebuild the history of the vehicle owners. This means obtaining signatures and/or application for title from any "in-between" owners, including anyone listed in the reassignment area of the title. Another option would be to obtain bill(s) of sale for all owner(s) who did not complete the transfer of ownership to them before selling the vehicle.

If you cannot provide the title and complete chain of ownership, you may apply to bond for title according to statute.

2. I don't have a title, and I don't know who the last titled owner is. Is there any way to find out who the last title owner is?

Due to the Federal Privacy Act, we are unable to provide prior owner information to you unless you submit form [MV2896 Vehicle/Driver Record Information Request](#).

It is your responsibility, not the Division of Motor Vehicles, to determine if you are eligible to obtain vehicle record information. Therefore, DMV cannot advise you how to complete form MV2896.

3. How can I get a title for a vehicle purchased without an ownership document/title?

According to Wisconsin laws [342.12](#), no certificate of title shall be issued by the department (DMV) until the outstanding evidence of ownership is surrendered to the department (DMV). To begin the process for obtaining a title, please refer to the [MV2082 Application for Bonded Certificate of Title for a Vehicle](#).

4. What is a surety bond?

A surety bond is a contract among at least three parties, in this case, Wisconsin DMV (the obligee – the recipient of an obligation), the vehicle owner (the principal – the party performing the contractual obligation) and the bond issuer (the surety – the company assuring DMV that the vehicle owner can perform the task). A surety bond is insuring that the vehicle owner is assuming the responsibility for proper vehicle ownership when the usual process for determining ownership cannot be completed.

5. When is a surety bond necessary?

Instances when a bond *will be* needed
(this is not intended as an all inclusive list):

- Lacking evidence of ownership
- Incomplete chain of ownership
- No title document
- Title doesn't describe vehicle (e.g. wrong VIN#)

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6. Who determines the amount of value for the bond?

By policy, the minimum (or lowest) bond value that the Department will request is \$2500. For vehicles with a bond value more than that, DMV evaluates the documentation provided with the Bond Application and requests a bond for 1.5 times the value of the vehicle. After reviewing the documentation, DMV will consult price guides to determine the valuation of the vehicle.

7. What if I do not agree with the requested amount of value for the surety bond?

If you do not agree with the surety bond value requested by DMV, you can obtain an independent appraisal conducted by an impartial person which DMV will also accept.

8. How long does a surety bond need to be held?

A surety bond is required to be held for a period of 5 years from the date the title is issued or until the requirements of Wisconsin statutes 342.12(3)(b) have been met. An example of this would be if the previously issued title and complete chain of ownership are obtained and submitted to DMV, the remainder of the 5 years would be terminated.

9. Does the bond need to be paid in full at the time it is purchased?

Payment of premiums is determined between the surety company and the customer. Payments can be monthly, annually, quarterly, etc. and/or paid in full at the time of securing the surety bond.

10. Can a vehicle be sold once the bonded title is issued?

Yes, a vehicle can be sold once a bonded title has been issued. The surety bond would need to be kept in good standing to avoid cancellation by the surety company.

If DMV receives notification of cancellation from the surety company, we will inform the current owner that a new surety bond would be required or the original surety bond would need to be brought back to good standing to avoid suspension of their vehicle's title and registration.

11. What should I do to get a Surety Bond?

You should first contact your insurance company or search the internet for 'vehicle surety bond in Wisconsin' or check your local phone book under SURETY BOND.

An insurance company may choose to do the "leg work" and they then get a commission from the bonding company that would handle the surety bond.

The customer completes an application (much like an application for credit from a bank) listing their resources, job history, personal financial statement, and authorization for a credit check. If it is a surety bond for a motor vehicle, they will also ask for a bill of sale. If an insurance company is involved, they submit the application to the bonding company for approval/denial.

Rates are based on past experience. The cost of a bond will be based on the amount of risk. Surety companies are regulated by the State of Wisconsin much like insurance companies. The value of a vehicle determines how much the bond must be issued to cover. So a vehicle with more value will have to post a higher value bond.

However, the actual cost of obtaining a bond averages 1½% of the bond value.

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When a bond is issued, the surety company is obligated to the term of the bond. They cannot change the terms mid-stream nor can they request a higher fee during the term of the bond. The terms agreed upon at the time of bond issuance are the terms for the life of the surety bond, even if a claim is filed.

If there is a claim against the bond for ownership of the vehicle or the applicant falsifies the application, the surety company's claims department would seek restitution from the applicant to recover any loss.

Surety companies who issue bonds prefer to have the bonds returned to them when the term expires. They keep expired bonds in their files for 7 years and then warehouse them for another 18 years, for a total of 25 years.

12. What information should be included in a surety bond?

Wording you should expect to see on a bond:

- The vehicle year, make and vehicle identification number (VIN)
- Amount of the bond
- The above named principal, and the above named corporation duly licensed and authorized to transact business in the State of Wisconsin as surety, are firmly bound unto any party in interest of the classes listed under s.342.12 (3)(b) Wisconsin Statutes.
- The face amount of this bond is the sum stated here, lawful money of the United States of America, to be paid to any party in interest so listed, entitled to damages for the purposes for which the bond is provided under the Wisconsin Statutes.
- For which payment will and truly be made, the above principal and surety bind themselves, their successors, and assigns, jointly and severally, for the required period of 5 years from the date of Certificate of Title issue or until the other requirements of s.342.12 (3)(b) Wisconsin Statutes have been met.
- The condition of this obligation is such that if the above named surety shall pay any and all damages which may accrue to the true legal owner or valid lien holder caused by the claim of any adverse claimant, to the extent of the bond face amount, then this obligation shall be void; otherwise it shall be and remain in full force and effect.
- This bond is given pursuant to the provisions of s.342.12 (3)(b) Wisconsin Statutes for the purpose of issuing a title under s.342.12 Wisconsin Statutes.

13. What does minimum vehicle requirements mean?

The vehicle must consist of a recognizable portion of the body or chassis that contains the vehicle identification number (VIN), and includes other components from the vehicle, but may not include all parts.

14. How is WI Sales and Use Tax calculated?

The sales tax is to be declared on the MV1 form when you apply for a Title and/or Vehicle registration. Sales tax is calculated based on bill of sale, if available, or by verification from applicant. Sales tax is not calculated by the assigned value of the bond.