

**MANDATORY ELECTRONIC LIEN AND TITLING (ELT) PROGRAM**  
**FREQUENTLY ASKED QUESTIONS**

**Q.1 How do lienholders benefit under the ELT Program?**

A. Perhaps the most useful benefit to lienholders is electronic notification when liens are perfected. Lienholders do not need to wait for a paper title in the mail to verify their liens are perfected -- they receive next-day notification electronically, with owner and vehicle information included. Other benefits to lienholders include:

- Savings on the cost of filing paper titles
- Eliminate staff time spent filing or looking for paper titles
- Savings on the cost of replacing lost titles
- Savings on postage needed to mail paper titles
- Quick identification of inaccurate information
- No need to manually release liens on paper titles
- Ability to perform common lien transactions without customer or PennDOT involvement

**Q.2 When does the mandatory ELT requirement take effect?**

A. Act 113 of 2006 mandates full implementation of Pennsylvania's mandatory ELT requirements by July 10, 2008.

**Q.3 Who is required to enroll in the mandatory ELT Program as a lender?**

A. Act 113 of 2006 requires all lienholders, except individuals and lienholders who are not normally engaged in the business or practice of financing vehicles to enroll in the mandatory ELT Program. Lenders who offer the service of vehicle financing to customers are considered to be engaged in the business or practice of financing vehicles.

**Q.4 How do lienholders enroll in the ELT Program?**

A. Visit the Motor Vehicle Information Center on PennDOT's Driver and Vehicle Services Web site, [www.dmv.state.pa.us](http://www.dmv.state.pa.us). Click on the Electronic Lien and Title Program link, and download Form MV-37 (Application for Enrollment/Change in Electronic Lien and Title System). Then, follow the instructions on the form.

**Q.5 Do vehicle dealers need to be enrolled in the mandatory ELT Program?**

A. If the dealer is in the practice or business of financing vehicles and wants to be recorded as a lienholder on Pennsylvania vehicle titles, the dealer must be enrolled in the mandatory ELT Program. Dealers that do not finance vehicles, and do not request to be lienholders on Pennsylvania vehicle titles, are not required to enroll in the ELT Program.

- Q.6 Can lenders be exempt from the mandatory ELT Program if they finance only a few vehicles a year?**
- A. No. Act 113 of 2006 does not exempt lienholders from participation in the mandatory ELT Program based on the number of vehicles financed in a given time period. If a lender offers the service of vehicle financing to customers, the lender must enroll in the mandatory ELT Program in order to be recorded as a lienholder on Pennsylvania title records.
- Q.7 Can lenders be exempt from the mandatory ELT Program if they finance vehicles but never want to be recorded as a lienholder on the Pennsylvania title record?**
- A. Yes. Act 113 of 2006 specifically requires “lienholders” to participate in the ELT Program. If a lender is in the practice of financing vehicles and never requests to be recorded on Pennsylvania title records as a lienholder, then that lender is also exempt from participation in the ELT Program. If the lender requests to be recorded on a title record as lienholder then the lender must enroll in the ELT Program.
- Q.8 Can dealers who finance vehicles avoid the requirements of Act 113 of 2006 by designating an individual at the dealership to be named as lienholder on all titles?**
- A. A dealership that will never request to be recorded as a lienholder on Pennsylvania title records will not be required to participate in the ELT Program. The individual whose name will be recorded as lienholder will be required to participate in the ELT Program, since this individual is considered a lienholder normally engaged in the business or practice of financing vehicles.
- Q.9 Are out-of-state lienholders required to participate in the mandatory ELT Program?**
- A. Out-of-state lienholders engaged in the business or practice of financing vehicles purchased by Pennsylvania residents, to be titled in Pennsylvania, must participate in the mandatory ELT Program. Out-of-state lienholders who finance vehicles to be titled only in other states by non-Pennsylvania residents are not required to participate. Pennsylvania will record existing lienholder information appearing on non-Pennsylvania titles when a new Pennsylvania resident applies to transfer a vehicle title. Those lienholders will be issued paper titles if they are not enrolled in the ELT program.
- Q.10 How do dealers obtain a paper title for a vehicle taken in trade, when paying off a loan, if the lien is electronic?**
- A. When a dealer pays off a loan for a vehicle taken in trade, the lienholder is required to immediately perform a transaction to release the lien to the dealer. When this transaction is performed by the lienholder, PennDOT automatically prints a paper title with the dealer’s name and address in the lienholder section and mails it to the dealer the next business day. Dealers are not required to

enroll in the ELT Program to receive titles in this manner after paying off loans on trades.

**Q.11 What transactions can the lienholders do in the ELT Program?**

A. The transactions are listed on back of Form MV-37 and include:

- a. **Lien Verification** -Allows the lienholder to verify they are the lienholder for a specific Title or VIN number.
- b. **Rejection of Lien** - Allows a lienholder to reject the lien establishment transaction, as sent by PennDOT, when the lienholder believes the record was established in error.
- c. **Rejection of Changed Vehicle Data** - Allows the lienholder to reject the changed vehicle transaction, as sent by PennDOT, when the lienholder has no corresponding record on their file.
- d. **Change Owner Address** - This transaction is used by the lienholder to update the owner's address at any time while its electronic lien is in place.
- e. **Change Owner Address and Release Lien** - This transaction is used by the lienholder to update the owner's address and then release its electronic lien, resulting in an unencumbered paper title issued to the owner at the new address.
- f. **Release Lien** - This transaction is used by the lienholder to release its electronic lien, resulting in an unencumbered paper title issued to the owner.
- g. **Release Lien to a Dealer** - This transaction is used by the lienholder to release its electronic lien when a vehicle loan is paid off by a vehicle dealer, resulting in a paper title issued to the dealer.
- h. **Convert ELT to Paper Title** - This transaction is used by the lienholder to convert an electronic title to a paper title with the lien information intact, resulting in a paper title issued to the lienholder.
- i. **Convert Existing Paper Title to ELT** - This transaction is used by the lienholder to convert a paper title with lien to an electronic title with lien.

**Q.12 How do lienholders connect electronically with PennDOT?**

A. Complete instructions are on Form MV-37, and include:

- The lienholder must contract with one of PennDOT's approved ELT service providers for transmission of vehicle and title data.
- The lienholder must complete Sections A and B of Form MV-37, then forward the form to the selected service provider.
- The lienholder works directly with the service provider to make the necessary electronic connections.
- After completing Section C, the service provider named on the form submits the completed application to PennDOT.
- PennDOT will complete the electronic programming and add the lienholder information to the necessary databases and its Driver and Vehicle Services Web site list of ELT participants.

- Q.13 Can lienholders in the ELT Program occasionally choose to receive paper titles in certain circumstances?**
- A. No. All lienholders in the ELT Program are issued electronic notice of their liens, and cannot choose to have paper titles issued by PennDOT.
- Q.14 What will happen to title applications after July 10, 2008, when a lien is to be recorded, but the lienholder on the application has not enrolled in the ELT Program?**
- A. PennDOT will reject the applications, advising applicants that their lienholder must be enrolled in Pennsylvania's ELT Program. PennDOT will not issue paper titles to a lienholder while the lender goes through the process of enrolling in the ELT Program. Lienholders must be fully enrolled in the ELT Program before July 10, 2008 as an active participant to continue financing vehicles to be titled in Pennsylvania with their lien.
- Q.15 How will the title application process change for lienholders enrolled in the ELT Program?**
- A. The applications and process of completing applications with liens will be relatively unchanged. Any time lien information is entered on a title or application, PennDOT will require name, address and Financial Institution Number (FIN) of the lienholder. If the name, address or FIN is not entered, the application will be rejected for the required information.
- Q.16 What is the FIN (Financial Institution Number), and how does a lienholder get one?**
- A. The FIN is currently an 11-digit number assigned by PennDOT to each lienholder. The FIN is based on either the lienholder's Federal Employer Identification Number or its ABA Routing Number, whichever is provided by the lienholder on Form MV-37.
- Q.17 If a lienholder has one FEIN covering numerous locations, such as a dealer with multiple business locations in Pennsylvania, and vehicle financing is offered at each location, can each location obtain a FIN?**
- A. Yes. All FINs for the various locations will have the same first 9 digits, followed by 01, 02, 03, etc. to designate the different locations.
- Q.18 How do agents completing Pennsylvania title applications obtain each lienholder's FIN?**
- A. Applicants are to obtain the FIN from the lender when securing their vehicle loan and provide the FIN to the agent completing the application. If the applicant does not provide the FIN to the agent, the agent can check the list of ELT participants on PennDOT's Driver and Vehicle Services Web site to obtain the FIN, or contact the lender directly to obtain the FIN.
- Q.19 How does PennDOT determine if a lienholder is or is not normally engaged in the business or practice of financing vehicles?**

- A. If a lender offers vehicle financing as a service to its customers, then the lender is considered to be in the business or practice of financing vehicles and must enroll in the mandatory ELT Program.
- Q.20 Are lienholders required to contract with PennDOT in order to participate in the ELT Program?**
- A. No. Lienholders must contract with one of the PennDOT-approved service providers named on Form MV-37. The service providers will provide technical guidance, help desk service, software, hardware and system training. When a lienholder becomes active as a participant in the ELT Program, title and lien information is passed between the lienholder and PennDOT through the service provider.
- Q.21 What is the cost for a lienholder to enroll and take part in the ELT Program?**
- A. Costs will vary depending on the fees charged by each service provider. No fees are paid to PennDOT or the Commonwealth of Pennsylvania. Lienholders pay only the service providers' fees for electronic title transactions, and costs for required hardware and software. Lienholders must contact the service providers directly for actual costs.
- Q.22 Will vehicle owners be able to have an electronic lien released using Form MV-380 in order to obtain an unencumbered title at the PennDOT counter service area?**
- A. If the lien is released by the lienholder on Form MV-380, or on lienholder's letterhead, PennDOT's counter service area will accept a properly completed application and issue a duplicate title to the vehicle owner with no lien. If the vehicle record shows the electronic lien released within the past ten (10) days, a fee of \$22.50 will be required.
- Q.23 What FIN should an agent enter for a lienholder when the lienholder address provided by the customer does not match the lienholder address on PennDOT's ELT participant list?**
- A. The agent should contact the lienholder directly to verify the FIN, and enter that FIN on the title application. The address to be used is the address shown on the PennDOT list of ELT participants as this is the address provided by the lienholder when the financial institution joins the Electronic Lien Program and corresponds to the FIN number on record.
- Q.24 Will individuals be permitted to be lienholders in the mandatory ELT Program?**
- A. Yes. Individuals will be permitted to be lienholders on Pennsylvania title records, and are exempt from participation in the mandatory ELT Program, unless engaged in the business or practice of financing vehicles.

**Q.25 How do vehicle owners obtain a paper title upon paying off their loan, if the lien is electronic?**

- A. Under the ELT program, the lienholder is required to immediately perform an electronic transaction to release the lien, when a loan is paid off. When the electronic release is done by the lienholder, PennDOT automatically prints and mails a paper title to the owner the next business day.