

Electronic Lien and Title Overview with Questions and Answers

The North Carolina Division of Motor Vehicles implemented an electronic lien and title (ELT) system effective Saturday, November 1, 2014.

The primary objective of ELT is to use an electronic exchange of data in lieu of a paper title as a means of communicating lien status between the DMV and a lienholder. The DMV will suppress the printing of a physical paper title and instead lienholders will receive an electronic notification regarding its financial interest in the vehicle. ELT will also allow lienholders to electronically release liens on a vehicle rather than manually executing the release on the front of a paper certificate of title. With ELT, lienholders will not lose their titles and corrections can be made electronically without having to wait for a title to be returned to the Division. The business processes involved in recording liens will remain the same; however, with the new ELT program if a title has a lien with a participating lienholder, an electronic notification is sent instead of a title being mailed.

The ELT program will be voluntary for all lienholders until June 30, 2016. Beginning July 1, 2016 the program will be mandatory for all lienholders who conduct at least five transactions annually. In addition to receiving electronic notifications when a vehicle has been "titled" with their lien, ELT participating lienholders will release their liens electronically. The lien release will be sent to STARS electronically from the lienholder through the vendor. ELT participating primary lienholders will be able to request a paper title with liens for business reasons such as repossessions.

1. **Is ELT Mandatory?** *The ELT program will be voluntary until June 30, 2016. Pursuant to Senate Bill 407, House Bill 1133 and Senate Bill 119, beginning July 1, 2016 all individuals and lienholders who are normally engaged in the business or practice of financing motor vehicles, and who conduct at least five transactions annually, shall utilize the electronic lien system. Annually is defined as a calendar year, January 1st thru December 31st.*
2. **Is there any penalty for not participating in ELT?** *No, however after July 1, 2016, title transactions will be rejected by the DMV and returned if the lender conducts five or more transactions annually and does not have an ELT Service Provider.*
3. **Are there any state fee changes as a result of ELT being offered?** *There are no state fee changes as a result of ELT being offered.*
4. **How does a lienholder sign up?** *A lienholder must sign up with an approved service provider to participate in the NC ELT program. For a list of approved Service Providers please contact eDS- NC ELT Helpdesk at elhelpdesk@edealersvcs.com or 1-800- 678-3875 x112. The list can also be found at www.edealersvcs.com.*
5. **Will we process and submit title work and lien recordings the same way as we do now?** *Yes, the process remains unchanged for submitting a transaction for title and registration and a lien recording. However, it is extremely important to include the*

*appropriate lienholder **customer number** that will be given to you by your service provider when submitting transactions.*

6. **Has there been any change to the title application or lien recording application?** *No, there has not been any change to the title application nor the lien recording application for the State of North Carolina.*
7. **What indicator does a dealership or lien holder place on the title application or lien recording application to indicate that the lienholder is electronic?** *The lienholder **customer number** will indicate whether the lender is an ELT participant or not. Therefore, it is important that when completing the Title Application or Lien Recording Application that the lienholder information, name, address, and lienholder ID (**customer #**) are completed fully, accurately and legible. Failure to do so may result in a paper title being issued to an ELT lienholder participant and/or a delay in processing after the mandatory date of July 1, 2016.*
8. **What will happen if an application/transaction is received that lists a lienholder that has not signed up for ELT?** *During the voluntary period, the title work will be processed according to current procedures. After the voluntary period when ELT becomes mandatory (Please see question 2), the title work and application will be rejected if the lienholder has conducted five or more transactions in that calendar year. The lienholder will be contacted by letter to advise them of the limit of liens in the statute. They will be provided with information about approved service providers and can obtain additional information from eDS ELT helpdesk.*
9. **How can a dealer find out what customer number they should use when submitting title work for an ELT participant?** *A current list of ELT participants and associated customer numbers for the State of North Carolina can be found at www.edealersvcs.com.*
10. **When ELT is implemented, what will the process be to obtain a paper title with lien to support state change, repossession, etc.?** *A paper title with lien can be requested through the lienholders service provider. Reasons for requesting an ELT title be printed; repossessions, owner moving out-of-state.*
11. **Where will paper titles with lien requests be printed?** *Paper titles with lien requests will be printed at the Raleigh DMV office and mailed to the owner.*
12. **Who does the dealer contact if the lien holder informs the dealership that they have not received their ELT notification or incorrect information was recorded on the ELT title?** *The dealer may contact the NC DMV Customer Contact Call Center @ 919-715-7000 for corrections or title inquires.*
13. **How does a lienholder release their lien for Electronic Titles?** *Lienholders will notify their Service Provider who will send an electronic notification to eDealer to release the lien. The Division will then print a new title and mail it to the owner.*

14. **How long does it take to receive a title that's been released electronically?** *Please allow 7-10 days to receive the title.*
15. **After being released, where will paper titles be printed?** *Titles will be printed at the Raleigh DMV office and mailed to the owner.*
16. **What if the dealer pays off the loan due to the vehicle being traded in and requires a paper title immediately?** *Emergency lien releases will be available in certain circumstances and can be requested through the lienholder. In these cases, the Division will receive an electronic notification to release the lien, but hold the title for someone to pick up. An authorized person can go to the Raleigh or Charlotte DMV office to request an Instant title be printed as long as they have an MVR-69 properly completed and notarized. Instant titles do require a \$75 instant title fee. If an Instant Title is not printed within three calendar days, a title will be printed and mailed to the owner.*
17. **When a vehicle is traded and the dealer pays off the loan, can the printed title be sent directly to the dealer, or will the owner be mailed the title and then have to give it to the dealer?** *The title can be requested to be mailed directly to the dealership. They will need to request this with the lienholder when the lien is paid off and released.*
18. **Will a paper lien release be sufficient in releasing a lien on an ELT title?** *No, a paper lien release will not be sufficient in releasing a lien on an ELT title. Except in extraordinary situations such as a court order. Only an electronic lien release can clear a lien from an ELT title.*