

# Vehicle Licensing Guide

## Mechanic's or Storage Lien-Application for Title or Nonrepairable Certificate VLIC-3.345

Original Date: 07/08/1986

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POLICY	
<b>Title:</b> Mechanic's or Storage Lien-Application for Title or Nonrepairable Certificate	
<b>Effective Date:</b> July 8, 1986	<b>Revision Date:</b> April 10, 2022
<b>&lt;&lt;&lt;&lt;&lt;REVISION</b>	
<b>Authority:</b> Code of Virginia §§ <a href="#">46.2-640</a> , <a href="#">46.2-644.01</a> , <a href="#">46.2-644.02</a> , <a href="#">46.2-644.03</a> , <a href="#">46.2-644.04</a> , <a href="#">8.01-419.1</a> , Servicemembers Civil Relief Act, <a href="#">50 U.S.C. App. § 537</a> , 40 CFR 85.2302 through 85.2304, Email from AG's office 5/21/14	
<b>END REVISION&gt;&gt;&gt;&gt;&gt;</b>	
<b>Policy:</b> DMV will, upon application for a Mechanic's or Storage Lien (MSL): <ul style="list-style-type: none"><li>• Provide an MSL transcript with the names and mailing addresses of vehicle owner(s) and lienholder(s) recorded in DMV's system (when available) for use by MSL applicants to notify vehicle owner(s) and/or any secured party(ies) of the notice to sell the vehicle to satisfy monies owed for services. OR Provide a "No Record Found" transcript when no owners are found in the system, provided the Vehicle Identification Number (VIN) verifies in the system and the vehicle is NOT stolen.</li><li>• Provide the trade-in value of the vehicle using the National Automobile Dealer Association (NADA), when available,<ul style="list-style-type: none"><li>○ Once a NADA Trade-In Value is determined for a vehicle, the value will remain as the basis for all MSL requirements, with one exception pursuant to Va. Code § <a href="#">46.2-644.03</a>. <b>&lt;&lt;&lt;&lt;&lt;REVISION</b><ul style="list-style-type: none"><li>○ The MSL Lienholder may submit an independent appraisal and supporting documentation to show the accurate value of the vehicle. <b>END REVISION&gt;&gt;&gt;&gt;&gt;</b></li></ul></li></ul></li><li>• Only the MSL work center at DMV Headquarters may process and issue MSL titles. The customer must submit all the required titling documents either by fax, mail, or may submit the documents at a CSC (who will then forward all paperwork to the MSL Processing Unit).<ul style="list-style-type: none"><li>○ CSCs do not process applications to title an MSL vehicle.</li></ul></li></ul> <p><b>NOTE:</b> Owners of a self-storage facility, where a motor vehicle with a previously recorded lien on the certificate of title is stored, shall have a lien on such vehicle, as long as the vehicle remains stored in the facility, pursuant to Va. Code §§ <a href="#">46.2-644.01</a> and <a href="#">55-418</a>.</p>	
<b>Exceptions:</b> <b>&lt;&lt;&lt;&lt;&lt;REVISION</b>	
<ul style="list-style-type: none"><li>• A customer may obtain a title or nonrepairable certificate (free of all liens and claims of ownership) to a vehicle if:<ol style="list-style-type: none"><li>1. Neither the owner, nor any other lienholder or secured party can be determined by the Department using an MSL transcript,</li><li>2. The vehicle was manufactured for a model year at least six years prior to the current model year,</li><li>3. The vehicle has a value of no more than \$4,500,</li></ol></li></ul>	

4. The customer shows proof that the vehicle has been in his continuous custody for at least 30 days. **END REVISION>>>>>**

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## DEFINITIONS

**Independent Appraiser** – Someone who provides the MSL applicant with an estimated trade-in value appraisal and does not gain income or have personal or business related interest in the ownership or sale of the vehicle.

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**Independent Appraisal** - An estimate for the value of a motor vehicle prepared by an individual or business that (i) has all required business licenses and zoning approvals, and (ii) is either a licensed appraiser in another state or a business authorized by an insurance company to prepare insurance appraisals. "Independent appraisal" does not include an estimate prepared by an individual or business with a financial interest in the bailee's business. (Bailee is the MSL applicant.) **END REVISION>>>>>**

**National Automobile Dealers Association (NADA)** - A company that provides new and used vehicle valuation products (such as The NADA Official Used Car Guide) and services to auto, finance, fleet/lease, and insurance companies.

**NADA Online Valuation** - NADA online valuation guide software is available within DMV's system. The valuation guide includes passenger vehicles, pickups and panel trucks, which are 21 model years old or newer. Also included are 9 model years of commercial trucks and motorcycles. Trailers and manufactured homes are not included as part of the NADA online valuation guide. NADA guides do not include pricing information for the current model year until November of the current year.

**National Crime Information Center (NCIC)** - A computerized index within DMV's system that contains criminal justice information (i.e. criminal record history information, fugitives, stolen properties, and/or missing persons). It is available to federal, state, and local law enforcement and other criminal justice agencies.

**Nonrepairable Vehicle** - Any vehicle that has been determined by its insurer or owner to have no value except for use as parts and scrap metal or for which a nonrepairable certificate has been issued or applied for.

**Notice of Sale** Mechanic's or Storage Lienholder's requirement to advertise the date, time, place, and terms of an auction where a vehicle will be sold.

**Self-Service Storage Facility**-Any real property designed and used for renting or leasing individual storage spaces that is not leased as part of residential property or dwelling units and to which the persons renting or leasing have access for storing or removing their personal property.

**VINAINQ** – Application programmed as a tab within vehicle transactions in MySelect to allow for vehicle identification number (VIN) verification. For incorrectly keyed or corrupt VINs will return the correct VIN for the year, make, and model of the vehicle.

**VINASSIST** – For locations that have access, a vehicle identification number (VIN) verification tool available within the system that describes the make, model and vehicle year for a VIN entry. VINASSIST also calculates the check digits within the VIN and indicates whether the VIN failed or passed. VINASSIST cannot verify vehicle information if the VIN is less than 17 characters long or the vehicle model year is prior to 1981.

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## OVERVIEW

The Mechanic's or Storage Lien (MSL) process provides businesses that tow, recover, repair or store a vehicle a process for recovering the cost of repair and/or storage (including self-storage facilities) when the vehicle owner does not pay, or refuses to pay for services rendered, within a reasonable period of time after it is due.

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### Overview of A Mechanic's or Storage Lien

1. An applicant must have provided repair, towing, and/or recovery services to a vehicle, including any accrued storage charges related to such services, at the request of the owner, lessee, or renter.
2. The person requesting services fails to make payment for to the MSL applicant in a reasonable period of time.
3. Upon nonpayment of monies due, the MSL applicant applies to DMV for a MSL vehicle transcript to get owner/lienholder information so he can notify all owners and lienholders identified on the transcript of the notice to sell the vehicle to recover cost of services rendered.

4. The MSL applicant uses the MSL transcript (issued upon application to DMV) to comply with all MSL requirements (record request, notice of sale, affidavit of compliance, etc.), based on the NADA Trade-In Value of the vehicle. DMV is responsible for sending all notices (in-state and out of state) and for posting the auction.
5. Upon completion of all MSL requirements, the MSL applicant:
  - Sells the vehicle to a 3<sup>rd</sup> party purchaser, providing purchaser with all required MSL documents for titling, or
  - Applies to DMV for a nonrepairable certificate in MSL applicant's name, or
  - Applies to DMV for a title in MSL applicant's name.

<b>Independent Appraisals are Accepted ONLY in the Following Situations</b>
<ul style="list-style-type: none"> <li>• The MSL applicant is trying to contest the vehicle's value.</li> </ul>
<b>OR</b>
<ul style="list-style-type: none"> <li>• The NADA Trade-In Value cannot be determined using DMV's online valuation or the internet NADA website.</li> </ul> <p><b>NOTE:</b> No NADA Trade-In Value is returned by DMV's online valuation system for a manufactured home or trailer. <b>END REVISION&gt;&gt;&gt;&gt;</b></p>

Applications to title an MSL vehicle, or for nonrepairable certificates, are not processed in the CSCs, but are forwarded to the MSL Processing Unit at DMV HQ following guidelines in this procedure.

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**ELIGIBILITY FOR THE MSL PROCESS**

- A business must do vehicle towing, recovery, repair or storage (including self-storage facilities) to be eligible for a Mechanic's or Storage lien.
- Both the vehicle and the MSL applicant's business MUST be located in Virginia to be eligible to use the MSL process to recover cost of repair and/or storage. If EITHER the vehicle or the business is NOT located in Virginia, the MSL applicant must contact the state in which they are located to determine how to apply for a MSL in that state.
- An individual, who purchases a vehicle through the MSL process from another state, or the District of Columbia, must obtain a title in his name **in that jurisdiction** and is not eligible to apply for the MSL in Virginia. He may apply for a VA title only after completing the MSL process in the other state.
- Vehicles that qualify for the Mechanic's or Storage Lien process are not processed as abandoned vehicles.

For information on vehicles abandoned on private property, refer to [VLIC-3.305](#).

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**CUSTOMER REQUIREMENTS – MSL VEHICLE RECORD TRANSCRIPT REQUEST**

1. Qualify for an MSL transcript by towing, recovering, repairing and/or storing (including self-storage facilities) by providing a repair and/or storage service to a customer.
2. Submit a Mechanics or Storage Lien Application ([VSA 41A](#)) completed and signed to apply for the MSL transcript.
3. Submit copy of mechanic's bill/invoice or a storage bill/invoice showing payment due.
4. Pay MSL transcript fees (when applicable).

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**FRONT COUNTER CSR – MSL VEHICLE RECORD TRANSCRIPT REQUEST**

1. Review the [VSA 41A](#) for completion.
2. If the "Mechanics Lien" box is checked on page one of the [VSA 41A](#), review the bill/invoice to verify that:
  - Vehicle make, model, year, and VIN, as listed on the bill/invoice are the same as the vehicle recorded on the [VSA 41A](#) for MSL.
    - If the vehicle information on the bill/invoice is different than that on the [VSA 41A](#), DO NOT accept the application.
3. Inquire on the VIN listed on the [VSA 41A](#):
  - a. The system automatically checks VINAINQ/VINASSIST, NCIC, CSS, and NADA Online Valuations. The vehicle's trade-in value (when available) will display on-screen and print on the transcript.
    - DO NOT PROCESS an MSL transcript when NCIC is not operational.

- b. If unable to verify the NADA trade-in value using DMV's system CSRs will:
- i. For manufactured homes, advise the applicant an [independent appraisal](#) of the manufactured home's value is required and advise applicant he must submit his MSL title application to Titling Work Center at HQ.

OR

- ii. Search for the vehicle's trade-in value on the NADA Trade-In Value website using the [Internet NADA Guide](#) if trade-in value is not returned by the system.
  - **DO NOT** use the Internet NADA Guide to determine the value of a manufactured home. If the value for a manufactured home is not determined by the [NADA Online Valuation](#) in DMV's system, the customer must provide an independent appraisal.
  - When using the Internet NADA Guide, **DO NOT** enter the vehicle's mileage or select any optional equipment when inquiring on the vehicle's average trade-in value.
  - On the [VSA 41A](#):
    - Record the vehicle value determined on the Internet by filling in the blank in the "DMV recognized NADA Official Used Car Guide trade in value." area
  - Print the NADA Trade-In Value screen from which the NADA value is obtained for recording on the [VSA 41A](#) and attach to the application.
  - Advise the applicant this screen print must be submitted with other required documents when applying for title.

OR

- iii. When no NADA Trade-In Value can be determined using any of the resources above, advise the MSL applicant he must submit an [independent appraisal](#) supporting the claimed vehicle value, along with other required documents, for [scanning](#) to the MSL Work Center for review and processing.

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<b>Independent Appraisals are Accepted ONLY if</b>
• The MSL applicant is trying to contest the vehicle's value.
<b>OR</b>
• The NADA Trade-In Value cannot be determined using DMV's online valuation or the internet NADA website. <b>NOTE:</b> No NADA Trade-In Value is returned by DMV's online valuation system for a manufactured home or trailer.

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4. Process the MSL transcript in the system.
  - a. Vehicle records that are marked "SOLD" in the system will print a "No Record Found" transcript unless an active lienholder exists on the record.
  - b. **DO NOT REMOVE THE DISPOSITION INDICATOR FROM THE RECORD** for vehicles with a "SOLD" indicator when there is an active lienholder.
  - c. Follow the stolen vehicle stop procedure when a stolen response is received from the NCIC verification (refer to [VLIC-3.550](#)). Return the application to applicant.
5. If VINAINQ or VINASSIST does NOT verify the VIN and the VIN was keyed correctly:
  - For mopeds, motor scooters, manufactured homes or ATVs, print the MSL transcript, collect the fee, and provide the transcript to the applicant following procedures. VINAINQ or VINASSIST is not able to verify VINs for these vehicles.
  - For vehicles with model years **prior to 1981**, print the MSL transcript, collect the fee, and provide the transcript to the applicant following procedures.
  - For vehicles (other than mopeds, motor scooters, manufactured homes or ATVs) with a model year **1981 or newer**, return the application to the applicant requesting VIN verification. **DO NOT** process a transcript or collect a fee.

**NOTE:** Vehicles with a model year of 1981 or newer should have a 17 digit VIN. VINAINQ or VINASSIST will not verify vehicles with VINs with less than 17 digits, or with model years prior to 1981.

6. If a Virginia record is found:
  - a. Collect the appropriate fee.
  - b. Print a vehicle record transcript,
  - c. Complete the [VSA 41A](#) using the vehicle record transcript, and
  - d. Return both the [VSA 41A](#) and the MSL transcript to the MSL applicant.
7. If no record is found, the NCIC check was "yes", and VIN verification is successful:
  - a. Collect the appropriate fee (when applicable).
  - b. Print a "No Record Found" vehicle transcript, and
  - c. Return the transcript and the [VSA 41A](#) to the MSL Applicant.

**NOTE:** It is not necessary for the CSC to keep paper records of "No Record Found" MSL applications.

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#### **CUSTOMER REQUIREMENTS – OBTAINING A NON-REPAIRABLE CERTIFICATE**

A customer who has completed all MSL requirements may apply directly for a Nonrepairable Certificate for the vehicle without first obtaining a title in his name.

1. Applicants must submit the following to the Vehicle Branding Work Center:
  - All required documents for the MSL,
  - Nonrepairable Certificate Application ([VSA 57](#)).

**NOTE:** Applications for Nonrepairable Certificate that are submitted at a CSC are forwarded to the Vehicle Branding Work Center (refer to the [VSA 57](#) for more information).

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Upon receipt of a completed application and certification document (VSA 41B), DMV will issue a nonrepairable certificate, if requested, free of all prior liens and claims of ownership of others. **END REVISION>>>>>**

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#### **CUSTOMER REQUIREMENTS – MSL APPLICANT OR PURCHASER APPLYING TO TITLE THE VEHICLE**

1. Submit the [VSA 41A](#) and all required documents to the MSL Processing Center at DMV Headquarters either via:
  - Fax to 804-367-8433, or
  - Mail to:

**DMV Headquarters  
Attn: MSL Processing Staff  
P.O. Box 27412  
Richmond, VA 23269**

**OR**

- Submit all required documents to a CSC (who will then forward all paperwork to the MSL Processing Unit).

#### **FRONT COUNTER CSR- MSL APPLICANT OR PURCHASER APPLYING TO TITLE THE VEHICLE**

1. Advise customers they may submit the [VSA 41A](#) and all required documents to the MSL Processing Center at HQ either by:

- Fax to 804-367-8433, or
- Mail to:

**DMV Headquarters  
Attn: MSL Processing Staff  
P.O. Box 27412  
Richmond, VA 23269**

**NOTE:** Encourage customers mailing MSL documents to:

- a. Ensure the applicant has entered a contact phone number on the [VSA 41A](#) application for use by the MSL Processing Staff.

- b. Use a shipping method that provides a tracking number for reference when checking on the status of the application, and to
- c. Retain photocopies of all submitted documents for their records.

**OR**

- Submit all documents at a CSC (who will then forward all paperwork to the MSL Processing Unit). CSRs must:

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- a. Verify completion of the VSA 41 A & B application,
- b. Verify that the applicant has entered a phone number on the application to allow the MSL Processing Staff at HQ to contact them for questions.
- c. Combine documents and place together on the back counter for mailing to the MSL Processing Staff at DMV HQ. **END REVISION>>>>**

### **DMV CONTACT CENTER ACTIONS**

- None by revision date

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### **POINTS TO REMEMBER**

- A mechanic who repairs a vehicle at the owner's request can file a lien for just and reasonable charges up to the maximum permitted by Va. Code § [46.2-644.02](#) and may retain possession of the vehicle until the charges are paid.
- MSL transcripts are not processed for vehicles located out-of-state. Towers, recovery operators, repair or storage facilities must apply for a mechanics or storage lien in the state in which the vehicle is located.
- MSL transcripts now print with a Transcript ID# at the top for use by MSL applicants when posting vehicle auctions to DMV's web site to notify vehicle owners.
- Vehicles that qualify for a Mechanic's or Storage Lien cannot be processed as abandoned vehicles.
- A MSL transcript provides the MSL applicant with available information such as owner name and address, lienholder name and address, whether the vehicle is stolen, whether the VIN is valid, and the NADA trade-in value.
- If the Online NADA Valuation program in DMV's system does not return a trade-in value for a vehicle use the NADA Trade-In Value online site following [Internet NADA Guides](#).
- The [VSA 41A](#) is returned to the customer once a MSL transcript is processed so he can resubmit it when he mails his paperwork for a title or nonrepairable certificate.

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### **RELATED LINKS**

[Internet NADA Guides](#)

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### **CONTACT**

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For additional information contact:

- Your CSC Manager/Assistant Manager
- VSA/MSL Work Center
- DMS/[Customer Records Division](#)

**END REVISION>>>>**

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