

Vehicle Licensing Guide

Nonnegotiable Title-Record a Lien VLIC-3.346

Original Date: 08/25/2013

Revision Date: 07/01/2017

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ALERT
<ul style="list-style-type: none">For nonnegotiable titles issued to imported vehicles unable to prove compliance with the Federal Motor Vehicle Safety Standards (FMVSS), follow guidelines in VLIC-3.330.
<ul style="list-style-type: none">For nonnegotiable titles issued to vehicles titled out-of-state with nonrepairable equivalent brands, follow guidelines in VLIC-3.347.

END REVISION>>>>>

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POLICY	
Title: Non-Negotiable Title- Record a Lien	
Effective Date: August 25, 2013	Revision Date: July 1, 2017
Authority: Code of Virginia § 46.2-602 , 58.1-2403	
Policy: <<<<<REVISION DMV shall issue a nonnegotiable title for vehicles purchased in Virginia by a nonresident to allow the purchaser to satisfy lienholder requirements for recording the lien when a vehicle is to be titled and registered in another state, provided: <ul style="list-style-type: none">• The vehicle was purchased in Virginia• The applicant is NOT a resident of VIRGINIA• Title is being issued for the purpose of recording a lien (Virginia or non-Virginia lienholder)-• The vehicle is to be registered in another state- Nonnegotiable titles issued to record a lien are not transferrable. Nonnegotiable titles issued to record a lien cannot be registered and are therefore not subject to sales and use tax (SUT). END REVISION>>>>>	
Exceptions: A nonnegotiable title issued to record a lien may be transferred, and a new nonnegotiable title issued only to qualified heirs or survivors with rights of survivorship upon the passing of the vehicle owner.	

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CUSTOMER REQUIREMENTS

- Submit a completed Application for Certificate of Title and Registration [VSA 17A](#).
- Submit acceptable proof of ownership:
 - An MCO or MSO, for vehicles purchased new,
 - A Virginia or out-of-state title and dealer invoice/bill of sale, for vehicles purchase used.
- Pay the title fee.

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FRONT COUNTER CSR

- Verify submission of a completed and signed [VSA 17A](#).
- Verify submission of required proof of ownership document:
 - MCO/MSO, for vehicles purchased new
 - Virginia or out-of-state title, for vehicles purchased used.
- Verify that a lien is to be recorded for the vehicle.

4. Advise the customer that a nonnegotiable title does not allow the vehicle to be registered, or ownership to be transferred in Virginia.
 - This type of non-negotiable title is issued as evidence of ownership and to allow the purchaser to satisfy lienholder requirements for recording the lien when a vehicle is to be titled and registered in another state.
5. Continue processing the original title in accordance with [VLIC-3.000](#).
 - Vehicles issued nonnegotiable titles for the purpose of recording a lien when the vehicle is to be titled out-of-state cannot be registered, and are therefore exempt from SUT at time of titling (refer to [VLIC-4.620](#)).

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DMV CONTACT CENTER ACTIONS

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- To assist customers with questions regarding nonnegotiable titles, or in identifying situations when a nonnegotiable would apply, refer to the [Nonnegotiable Title Eligibility](#) table. **END REVISION>>>>**
- Do NOT promise the acceptability of documents to customers.
- Do NOT use phrases like:
 - "You have everything you need, just go to a CSC and they will issue your document."
 - Use phrasing such as:
"The documents you have listed sound like they may be acceptable: The CSC will make the final determination of your eligibility to receive your Virginia title and/or registration card."

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POINTS TO REMEMBER

- To issue a nonnegotiable title for purposes of recording a lien, the following conditions must be met:
 - Vehicle was purchased in Virginia,
 - Purchaser is NOT a resident of Virginia,
 - Title is issued for the purpose of recording a lien (Virginia or non-Virginia lienholder), and
 - Vehicle is to be registered in another state.
- Vehicles titled as nonnegotiable:
 - Cannot be registered and are therefore not subject to SUT. The purchaser will pay SUT in the state where the vehicle is titled and registered.
 - Are not transferrable unless the owner becomes deceased, in which case a nonnegotiable title may be issued to qualified heirs and surviving joint owners with right of survivorship (refer to [VLIC-3.505](#)).
 - Applicants for this type of nonnegotiable title are not required to submit proof of address. **END REVISION>>>>**

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CONTACT

For additional information contact :

- Your CSC Manager/Assistant Manager
- DMV Contact Center Help Desk at (804) 367-6646
- VSA/[Titling Work Center](#)

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