

## Vehicle Licensing Guide

### Salvage Vehicle Definitions VLIC-3.380

**Original Date:** 01/01/1993

**Revision Date:** 07/01/2020

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POLICY	
<b>Title:</b> Salvage Vehicles	
<b>Effective Date:</b> January 01, 1993	<b>Revision Date:</b> April 10, 2019
<b>Authority:</b> Code of Virginia §§ <a href="#">46.2-1600</a> , <a href="#">46.2-1603.2</a> , <a href="#">46.2-1605</a>	
<b>Policy:</b> <p>DMV shall, upon receipt of an application for a salvage certificate for a vehicle titled in the Commonwealth, or upon receipt of notification from an insurance company or its authorized agent, cancel a vehicle's title and issue the appropriate certificate to be issued to the vehicle's owner.</p> <p>No registration or license plates are issued for vehicles issued salvage certificates.</p> <p>A vehicle issued a salvage certificate may be retitled for use on the highways after meeting the conditions for title issuance in accordance with the provisions of § <a href="#">46.2-1605</a>.</p> <p>No vehicle for which a nonrepairable certificate has been issued shall ever be titled or registered for use on the highways in Virginia.</p> <p><b>&lt;&lt;&lt;&lt;&lt;REVISION</b></p> <p>Customer Service Centers (CSCs) <b>do not</b> process applications and/or documentation related to salvage vehicles, but will accept and verify that required documents are submitted, collect payment, and forward or advise the customer to mail documents to the Vehicle Branding Work Center at Headquarters (HQ). Customers will be billed if additional fees are required. <b>END REVISION&gt;&gt;&gt;&gt;&gt;</b></p>	
<b>Exception:</b> <p><b>&lt;&lt;&lt;&lt;&lt;REVISION</b></p> <ul style="list-style-type: none"><li>Abandoned Vehicle transactions, Mechanic's or Storage Liens (unless nonrepairable), VIN Verifications and other non-salvage transactions ARE NOT PROCESSED by the <a href="#">Vehicle Branding Work Center</a>. <b>END REVISION&gt;&gt;&gt;&gt;&gt;</b></li></ul>	

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### SALVAGE VEHICLE OVERVIEW

Customer Service Centers do not process salvage vehicle transactions.

- Advise customers that CSCs **do not** process applications and/or documentation for the following transactions.
  - Salvage vehicle certificates
  - Nonrepairable certificates
  - Notifications of Owner retained Late Model (5 years or newer) and/or Water-Damaged Vehicle
  - Application for branded Virginia title
  - All other salvage related transactions
- CSCs will
  - Forward by mail, or advise the customer where to mail titles, applications, documents, and/or notification paperwork to the [Vehicle Branding Work Center](#).

**Department of Motor Vehicles  
Vehicle Branding Work Center  
Attn: Salvage Work Center/Room 311  
P.O. Box 27412  
Richmond, VA 23269-0001**

- b. Provide the Salvage Vehicle Transactions handout to customers, which provides contact information for customer questions, and guidance for those choosing to mail their own salvage work.
  - Before advising customers applying for salvage transactions to contact the DMV Customer Service Center, listen to the information provided to determine if the customer is applying for a salvage/nonrepairable certificate, or if the vehicle is already "titled" as salvage.
  - Once a vehicle is titled as salvage, the title is processed in the CSC the same as any standard title.
    - To determine the difference between a salvage title and a salvage certificate, refer to the [Salvage Certificate-Salvage Title](#) reference page.
- c. Accept and verify that the correct salvage applications and documents are submitted for the transaction.

**IMPORTANT:** To avoid unnecessary delays in processing a customer's transaction when mailing documentation from a CSC to the Vehicle Branding Work Center, CSRs are responsible to verify accurate completion of applications and ensure that sufficient documentary evidence is provided following the guidelines in this procedure. Refer to the [Salvage Vehicle Transaction Requirements](#) table below.

Salvage Vehicle Transaction Requirements <sup>1</sup>		
Salvage Title Transaction <sup>2</sup>	Rebuilt Branded Titles	Non Repairable Vehicle
<ul style="list-style-type: none"> <li>• Salvage Certificate Application <a href="#">VSA 56</a></li> <li>• Bill of Sale</li> <li>• Original title in customer's name,</li> <li><b>OR</b></li> <li>• Title properly assigned to the customer and <a href="#">VSA 17A</a></li> <li>• Payment for fees</li> </ul> <p><b>If repairs have been done on the vehicle, include:</b></p> <ul style="list-style-type: none"> <li>• Request for Examination of Rebuilt Salvage Vehicle (<a href="#">LES 022A</a>)<sup>3</sup></li> <li>AND</li> <li>• Vehicle inspection fee<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Application for Certificate of Title and Registration (<a href="#">VSA 17A</a>),</li> <li>• Bill of Sale</li> <li>• Original title in customer's name,</li> <li><b>OR</b></li> <li>• Title properly assigned to customer and <a href="#">VSA 17A</a>,</li> <li>• Payment for fees</li> </ul>	<ul style="list-style-type: none"> <li>• Nonrepairable Certificate Application (<a href="#">VSA 57</a>)</li> <li>• Original title in customer's name,</li> <li><b>OR</b></li> <li>• Title properly assigned to customer and <a href="#">VSA 17A</a></li> <li>• Bill of Sale</li> <li>• Payment for fees</li> </ul>
<p><sup>1</sup> For customers inquiring on the results of a scheduled vehicle inspection, inquire on the notes in the system. THE TITLE ISSUE DATE IS NOT THE DATE IT WAS MAILED. The title is actually issued approximately 3 weeks prior to the vehicle inspection.</p> <p><sup>2</sup> As of March 20, 2017 DMV no longer accepts salvage titles inspected and signed off by Maryland State Police, or inspected by North Carolina with 3 page inspection reports (275, 276, 277). Customer must complete the process in that state for the rebuilt branded title.</p> <p><b>&lt;&lt;&lt;&lt;&lt;REVISION</b></p> <p><sup>3</sup> Not required if the rebuilder is licensed (see note below) at least 10 years (with no penalties), and the vehicle is at least 10 years old (but not antique), and the resale value of the vehicle is less than \$10,000.</p> <ul style="list-style-type: none"> <li>• NOTE: The rebuilder must be licensed as one of the following: Salvage dealer, Rebuilder, Demolisher, Auto Recycler, Scrap Metal Processor, Salvage Pool, Vehicle Removal Processor. <b>END REVISION&gt;&gt;&gt;&gt;&gt;</b></li> </ul>		

- All transactions will be processed in the order in which they are received by the Vehicle Branding Work Center (there is no same day processing). DO NOT advise customers to drive their transaction documents to DMV Headquarters.
- Customers may submit payment to the Vehicle Branding Work Center by:
  - Check or money order to be mailed with the application and documents.

- Credit card - fax the completed and signed Vehicle Branding, Titling and Special Registration Payment Authorization ([VSA 153](#)) with the application to Vehicle Branding. The VSA 153 cannot be submitted by mail.

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## DMV DIRECT ACTIONS

Reference to Salvage Statutes	
<a href="#">46.2-1600</a> Definitions	<a href="#">46.2-1604</a> Rebuilders required to possess certificate of title
<a href="#">46.2-1601</a> Licensing of dealers of salvage vehicles: fees	<a href="#">46.2-1605</a> Vehicles rebuilt for highway use; examinations; branding of titles
<a href="#">46.2-1602</a> Certain sales prohibited; exceptions	<a href="#">46.2-1606</a> Certificates of title issued by other states
<a href="#">46.2-1602.1</a> Duties of insurance companies upon acquiring certain vehicle	<a href="#">46.2-1607</a> Inspection of records and examination of inventory
<a href="#">46.2-1603</a> Obtaining salvage certificate or certificate of title for an unrecovered stolen vehicle	<a href="#">46.2-1608</a> Maintenance and contents of records
<a href="#">46.2-1603.1</a> Duties of licensees.	<a href="#">46.2-1609</a> Penalties
<a href="#">46.2-1603.2</a> Owner may declare vehicle nonrepairable; insurance company required to obtain a nonrepairable certificate; applicability of certain other laws to nonrepairable certificates	<a href="#">46.2-1610</a> Disposition of fees

- Individuals, insurance companies, salvage dealers rebuilders, demolishers, salvage pools and vehicle removal operators are required to obtain a salvage certificate, nonrepairable certificate, or certificate of title for each salvage or nonrepairable vehicle in their possession.

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## DEFINITIONS

**Actual Cash Value** -- The retail cash value of the vehicle prior to damage as determined, using recognized evaluation sources, either:

- By an insurance company responsible for paying a claim OR
- By DMV, if no insurance company is responsible.

**Auto Recycler** -- Any person licensed by the Commonwealth to engage in business as a salvage dealer, rebuilder, demolisher, or scrap metal processor.

**Cosmetic Damage** -- Rescinded July 1, 2017.

**Current Salvage Value** --

- The salvage value of the vehicle, as determined by the insurer responsible for paying the claim OR
- Twenty-five percent (25%) of the actual cash value, if no insurance company is responsible.

**Demolisher** -- Any person whose business is to crush, flatten, bale, shred, log, or otherwise reduce a vehicle to a state where it can no longer be considered a vehicle.

**Diminished Compensation Value** -- The amount of compensation that an insurance company pays to a third party vehicle owner, in addition to the cost of repairs, for the reduced value of a vehicle due to damage.

**Independent Appraisal Firm** -- Any business providing cost estimates for the repair of damaged motor vehicles for insurance purposes and having all required business licenses and zoning approvals.

- This term shall not include insurance companies that provide the same service, nor shall any such entity be a rebuilder or affiliated with a rebuilder.
- This term shall not include appraisal firms located outside Virginia. Any documentation from an independent appraisal firm shall be on company letterheads.

**Late Model Vehicle** -- if one of the following conditions applies, the vehicle is a late model vehicle (5 years or newer):

- The current-year model of a vehicle and the FIVE (5) preceding model years OR

- Any vehicle whose actual cash value is determined to have been AT LEAST \$10,000 prior to being damaged.

**NOTE:** A vehicle meeting either condition, not necessarily both, comes under the salvage statutes.

**Licensee** -- Any person who is licensed or is required to be licensed.

**Major Component** -- Any one of the following subassemblies of a motor vehicle:

- Front clip assembly, consisting of the fenders, grille, hood, bumper, and related parts
- Engine
- Transmission
- Rear clip assembly, consisting of the quarter panels, floor panels, trunk lid, bumper, and related parts
- Frame
- Air bags
- Any door that displays a vehicle identification number

**Model Year** -- The period that a manufacturer produces a specific model year of a vehicle. (It can be longer than or shorter than an actual calendar year). It changes:

- When the manufacturer begins producing the next model year for sale and provides such documentation (for example, a letter from the manufacturer) OR
- On January 1st each year, if the actual model changeover date is unknown.

**Nonrepairable Certificate** -- A document of ownership issued by DMV for any nonrepairable vehicle upon surrender or cancellation of the vehicle's title and registration or salvage certificate.

**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
- Any vehicle for which a nonrepairable certificate has been issued or applied for.

**Parts Vehicle** -- A vehicle, which has been parted by a salvage dealer, and a title or salvage/nonrepairable certificate has been submitted to DMV for cancellation.

**Rebuilder** -- Any person who acquires and repairs, for use on the public highways, two or more salvage vehicles within a twelve-month period.

**Rebuilt Vehicle** --

- Any salvage vehicle that has been repaired for use on the public highways OR
- Any late model vehicle (5 years or newer) that has been repaired and the estimated cost of repair exceeded seventy-five percent (75%) of its actual cash value, excluding the cost to repair damage to the engine, transmission, or drive axle assembly.

**Repairable Vehicle** -- means a late model vehicle (5 years or newer) that is not a rebuilt vehicle, but is repaired to its pre-loss condition by an insurance company and is not accepted by the owner of said vehicle immediately prior to its acquisition by said insurance company as part of the claims process.

**Salvage Certificate** -- A document of ownership issued by DMV for any salvage vehicle upon surrender or cancellation of the vehicle's title and registration.

**Salvage Dealer** -- Any person who acquires any vehicle for the purpose of reselling any parts thereof or who acquires and sells any salvage vehicle as a unit except as permitted by subdivision B 2 of § [46.2-1602](#).

**Salvage Pool** -- Any person providing a storage service for salvage vehicles or nonrepairable vehicles who either:

- Displays the vehicles for resale OR
- Solicits bids for the sale of salvage vehicles or nonrepairable vehicles.

**NOTE:** This definition shall not apply to an insurance company that stores and displays fewer than 100 salvage vehicles and nonrepairable vehicles in one location. However, any two or more insurance companies that display salvage and nonrepairable vehicles for resale, using the same facilities, shall be considered a salvage pool.

**Salvage Vehicle** --

- Any late model vehicle (5 years or newer) that has been:
  - Acquired by an insurance company as part of the claims process, other than a stolen vehicle,

OR

- Damaged as a result of collision, fire, flood, accident, trespass, or any other occurrence to the extent that its estimated cost of repair, excluding charges for towing, storage, and temporary replacement/rental vehicle or payment for diminished value compensation, would exceed its actual cash value less its current salvage value.

OR

- Any recovered stolen vehicle acquired by an insurance company as a part of the claims process, whose estimated cost of repair exceeds seventy-five percent (75%) of its actual cash value,

OR

- Any other vehicle that is determined to be a salvage vehicle by its owner or an insurance company by applying for a salvage certificate for the vehicle, provided that such vehicle is not a nonrepairable vehicle.

**Scrap Metal Processor** -- Any person who acquires one or more whole vehicles to process into scrap for re-melting purposes who, from a fixed location, utilizes machinery and equipment for processing and manufacturing ferrous and nonferrous metallic scrap into prepared grades, and whose principal product is metallic scrap.

**Vehicle** -- Every device in, on or by which any person or property is or may be transported or drawn on a highway, except electric personal delivery devices and devices moved by human power or used exclusively on stationary rails or tracks. A vehicle that has been demolished or declared to be nonrepairable pursuant to this chapter shall no longer be considered a vehicle. For the purpose of this chapter, a major component shall not be considered a vehicle.

**Vehicle Removal Operator** -- Any person who acquires a vehicle for the purpose of reselling it to a demolisher, scrap metal processor, or salvage dealer.

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## RELATED LINKS

[Nonrepairable](#)

[Salvage Licensing](#)

[Salvage Vehicle Certificates](#)

[Salvage Certificate/Non-Repairable Certificate Quick Reference Guide](#)

[Salvage Certificate/Salvage Title Reference](#)

[Stolen Vehicles](#)

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## CONTACT

For additional information contact:

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

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