

## Vehicle Licensing Guide

### Lien Omission From Title VLIC-3.610

**Original Date:** 07/19/1996

**Revision Date:** 07/25/2016

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POLICY	
Title: Lien Omissions From Title	
Effective Date: July 19, 1996	Revision Date:
Authority: Code of Virginia §§ <a href="#">46.2-636</a> ; <a href="#">46.2-641</a>	
<p><b>Policy:</b></p> <p>CSC management will take immediate action to retrieve a title, and add a security interest (lien) following guidelines in this procedure when it is discovered by CSC staff or by a lienholder that a title was processed in a Customer Service Center (CSC) and given to a customer in error without a required security interest (lien) being recorded on the vehicle record.</p> <p>Lien omissions are a serious procedural failure and can cause significant consequences for the agency.</p>	
Exception: N/A	

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### OVERVIEW

A lien omission occurs when application is made for a certificate of title to a motor vehicle, autocycle, moped, motorcycle, trailer or semitrailer, showing a security interest (lien) and the customer service representative (CSR) issues, prints, and hands the title over the counter to the customer without recording the required lien on the vehicle record.

Lien omissions create a high liability for the DMV and must be discovered and corrected as quickly as possible to accurately record the lien information and reduce DMV liability.

Lien omissions are discovered by CSC staff, or by lienholders who do not receive the title with the recorded lien. If discovered by a CSR, he or she notifies the CSC manager. The CSC manager adds the lien to the vehicle record, places a vehicle stop on the record and faxes the lien omission and associated title transaction documents to the District Office for tracking.

**NOTE:** Placing a vehicle stop on the vehicle record blocks the owner on the title from requesting any further transactions until the title is returned to DMV and the lien omission corrected.

CSC management contacts the customer by phone requesting the incorrect title be returned to DMV. If unable to contact the customer by phone, the District Administrative Assistant will prepare and mail a Lien Omission letter or Prior Lien Omission letter to the customer requesting the return of the incorrectly issued title.

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### FRONT COUNTER CSR

1. If a lien omission is discovered by the CSC BEFORE close of business on the day the transaction was processed, handle as follows:
  - a. If the title was given to the customer over the counter, retrieve title from customer BEFORE close of business for the day the transaction was processed.
  - b. Record the lien to the vehicle record, or delete the transaction and re-key with the lien.

**NOTE:** If the incorrect title (title without lien) has printed at the CSC, add the lien to the vehicle record and process the appropriate print request to cause the corrected title to print following the guidelines below.

- If the title is retrieved from the customer and the lien added to the vehicle record BEFORE close of business the day of the original transaction, process a "REPRINT" title transaction.
  - If the title is retrieved and the lien added AFTER close of business, process a substitute title transaction with the reason "office error", (OE).
- c. Void the title retrieved from customer and record inventory discrepancy according to procedures (refer to [CSCOM-208](#)).
  - d. The corrected title with lien will print in overnight batch at headquarters and be mailed to the lienholder the next business day.
2. If lien omission is discovered by the CSC AFTER close of business on the day of the transaction (or a subsequent business day), do the following:
- a. Notify CSC Manager or Assistant Manager of the lien omission.
  - b. Copy all title documents, noting on title documents that the lien omission has been discovered at the CSC and is being corrected.
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- c. Fax or scan all titling documents associated with the transaction to your District Office to notify them of the lien omission. **END REVISION>>>>**
  - d. Retain photocopies of the titling documents in the CSC for use in correcting the lien omission.
  - e. CSC Manager or designee adds the lien (or elien) to the record.
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- f. Process a substitute title transaction showing the correct lienholder information and use the reason code "OE" for Office Error.
    - o A substitute title is not printed when the omitted lien being added to the record is an e-lien.**END REVISION>>>>**
  - g. CSC Manager or designee will place a vehicle stop on the record and record phone number and "lien OMIT" in the Additional Information Field in the system.
  - h. Contact the customer by telephone requesting they return the incorrectly issued title to the CSC.
    - o If customer cannot be reached by phone and daily work has not yet gone, note on the original titling documents being sent for imaging that the customer could not be contacted.
  - i. If customer could not be reached by phone, or did not return the title as requested, the District Office Administrative Assistant will prepare and mail a Lien Omission letter to the customer's address on file, informing the customer of the lien omission and requesting the return of the incorrectly issued title.
  - j. When the title is retrieved from the customer, at the CSC or by mail, CSC manager or designee will "comply" (DO NOT DELETE) the vehicle stop.
    - o The title will print in overnight batch and be mailed to the lienholder.
3. Prepare documents with correct barcode coversheet and place in appropriate area for document preparation.

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#### **DISTRICT OFFICE ADMINISTRATIVE ASSISTANT**

1. Receive lien omission information from the CSC.
2. Create a Lien Omission follow-up file for lien omission events.
3. Prepare and mail one of the following Lien Omission letters to the customer's address on file, informing the customer of the lien omission and requesting the return of the incorrectly issued title (within 30 days from the date on the letter).

- **Lien Omission Letter template (CSMA 06)** - Use this letter to request the customer to return a title issued incorrectly due to a lien omission.
  - **Prior Lien Omission Letter template (CSMA 07)** - Use this letter to request the customer return a title issued incorrectly due to prior liens not being signed off (satisfied) on the titling documents, or due to a missing lien release.
4. File a copy of the lien omission letter, along with all other transaction documents to do with the lien omission event in the Lien Omission follow-up file.
  5. In 30 days from the date on the lien omission letter follow up by doing the following:
    - Retrieve the lien omission letter and other documentation from the Lien Omission follow-up folder,
    - Request that the CSC check the vehicle record to see if the lien omission has been resolved, a substitute title issued, and the vehicle stop removed from the vehicle record,
    - If the CSC indicates that the substitute title has been issued and the stop removed, destroy the follow-up letter copy and the associated documents. Otherwise, go to step 6 below.

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6. Notify the Titling Work Center in writing, requesting a title cancellation order requesting Law Enforcement (LE) to pick up the title. Forward copies of all supporting documentation to Titling Work Center from the Lien Omission follow-up file. **END REVISION>>>>>**
7. District Administrative Assistant may destroy the Lien Omission follow-up file when final determination of one of the following is made:
  - The title has been submitted to DMV, or
  - The title has been canceled, or
  - The lien omission is resolved.

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### TITLING WORK CENTER -TITLE RETURNED

1. If the incorrectly issued title is returned to Headquarters, either by LE or by the customer:

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- Remove the vehicle stop.
- The title will print and be mailed to the lienholder
- Destroy the old title document files. **END REVISION>>>>>**

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### POINTS TO REMEMBER

- Titles with liens which are not electronic liens print at a centralized location at Headquarters (HQ) and are mailed to the lienholder the next business day.
- Because the title with lien will print in an overnight batch, and the title will NOT be in the CSC's possession, title transactions MUST NOT be deleted after close of business the day of the transaction. Title transactions may only be deleted prior to close of business on the same day the title is processed.
- Once a title has printed at the CSC, or in overnight batch, any subsequent "Maintain Lien" (MLN) transaction processed by the CSR will update the record but will NOT generate an automatic print of the title at headquarters. The incorrect title must be retrieved, voided (if before close of business), placed with the daily work for document preparation, and a title print transaction (reprint or substitute) must be processed to cause the corrected title to print in overnight batch at headquarters.
- System Support Group (SSG) will not be able to fix discrepancies to the vehicle history, so all lien omissions that are not corrected by close of business on the day the transaction was processed, must be corrected by the CSC following the lien omission procedures contained in this document.
- If lien information is keyed incorrectly for an original title transaction, and the lien information on the title is corrected on the record BEFORE close of business for the day of the original title transaction, the corrected title will print in overnight batch at Central Title Print (CTP) and be mailed to the lienholder. No additional title print transaction needs to be initiated by the CSC since the error was caught before the title printed in overnight batch.

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## RELATED LINKS

[CSCOM-205.2](#) Lien Omissions

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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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