

Vehicle Licensing Guide

Releasing a Lien VLIC-3.615

Original Date: 01/1986

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POLICY	
Title: Releasing a Lien	
Effective Date: January 1986	Revision Date: April 10, 2014
Authority: Code of Virginia: §§ <<<<<REVISION 46.2-216.1 , END REVISION>>>>> 46.2-623 , 46.2-627 , 46.2-636 through 46.2-644	
Policy: DMV shall release a lien from the record of a motor vehicle, trailer, or semitrailer and issue a clear (lien-free) certificate of title upon request by the owner or lienholder when acceptable evidence is submitted to DMV that the lien (or liens) is satisfied.	
Exception: When unable to secure a lien release from the lienholder, DMV shall review evidence showing that the lien has been satisfied, a statement by the owner under oath that the debt has been paid, and, when satisfied that the lien is paid off, shall issue a new certificate of title showing the release of the lien (security interest).	

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DEFINITIONS

Lien – A lien is a legal claim or security interest placed by a person or business entity against a vehicle to secure the payment of debt incurred by an individual for the purchase of the vehicle.

Electronic Lien - A lien that is stored on the title record electronically as part of the Electronic Lien and Title Program (ELP) (refer to [VLIC-3.605](#)). Electronic liens allow for the exchange of lien and title information electronically with lienholders in lieu of printing a paper title.

Clear Title - A Certificate of Title against which there is no legal claim or security interest (lien).

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OVERVIEW

When a title is processed with a recorded lien, the Certificate of Title is printed in overnight batch at Headquarters and mailed to the lienholder.

When a customer, or lienholder, submits acceptable proof that a lien is satisfied, DMV releases the lien from the vehicle record and prints a clear title, or, if printed in the past, a substitute title is issued. At the time of the transaction, the customer can request that DMV maintain an electronic record of the title, in which case the lien is released and no title is printed (refer to [VLIC-3.430](#)).

When a title is processed with an electronic lien (e-lien), an electronic message is sent to the lienholder containing information that identifies the vehicle, the name and address of the vehicle owner, and the name and address of the lienholder (refer to [VLIC-3.605](#)). No paper title is printed.

Only the electronic lienholder can release an e-lien by sending an electronic message to DMV. DMV's system will identify the title record, release the e-lien, and if requested by the lienholder, print and mail it to the owner (or dealer, if applicable).

Sometimes the electronic lienholder requests DMV to print and mail the title to the lienholder without releasing the e-lien. DMV releases the E-lien HELD, prints the title, and mails it to the lienholder. Upon receipt of the paper title, the

lienholder will sign the title to release the lien, then mail it to the customer (or a dealer, if applicable). The customer may submit the signed paper title, or a lien release letter, to a CSC to have the lien released in the system.

IMPORTANT: Once the E-LIEN PRINT HELD is released from a title record, but the lien is not released, the lien is no longer considered to be an electronic lien (e-lien) whether the title was printed or not. The lien is treated as a regular lien even though the lienholder code still displays as "ELT" (for instance ELT02). CSCs ARE AUTHORIZED to release a lien from a vehicle record once the E-Lien Print Held has been released, just as is done for a regular lien, provided the required signed off title or lien release letter is submitted.

An electronic lienholder may request an Emergency E-Lien Print transaction, which will release an e-lien without printing the title and release the E-Lien Held. The electronic lienholder designates a person to pick up the clear title in a CSC (refer to [VLIC-3.605](#)). The e-lien MUST be released electronically prior to being picked up by the designated person.

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CUSTOMER REQUIREMENTS

Applying to release a lien:

1. Present a Certificate of Title with signed off or stamped lien release and/or lien release letter authorizing the release of the lien,
OR
For Emergency E-Lien Print transactions, verify that the person or representative picking up the title is designated in the system by the electronic lienholder.
2. Submit a completed Application for Replacement and Substitute Titles ([VSA 67](#)).
 - The [VSA 67](#) is not required when the owner is submitting the current title with the lien signed off by the lienholder (refer to [VLIC-3.120](#)) or for Emergency E-Lien Print transactions.
3. Request one of the following options:
 - Release of the lien in the system and print of the clear (lien-free) title,
OR
 - Release of the lien in the system and request the title be maintained in DMV's system as an electronic record,
OR
 - Release of the lien in the system only (no title printed) and owner retains the lien release document in his personal files,
4. For Emergency E-Lien prints, the person or representative designated in the system by the electronic lienholder must submit :
 - Vehicle owner must submit identification,
 - Representative must submit identification and a letter from the electronic lienholder authorizing them to pick up the title.
5. Pay the substitute title fee.
 - No fee is required for customers requesting DMV to maintain an electronic title record.
 - No fee is required if the title has never been printed prior to the current transaction (no date exists in the Ttl Doc Dt: field in the vehicle record). The title will print as an original title.
6. Receive the clear (lien-free) title over the counter,
OR
Receive the registration card if requesting the title be maintained as an electronic record.

NOTE: No action is required by customer who chooses not to have the lien released from the title record. The customer should retain the lien release document in his personal files.

Inability to Obtain a Release of a Lien

If unable to obtain lien release because the lender has gone out-of-business, merged, or been taken over by another business, submit evidence of this, along with evidence that the lien has been satisfied. This includes:

- Notarized statement of lien satisfaction:
 - A notarized statement identifying the vehicle by VIN, make, and year, and stating that the lien has been satisfied.
- Evidence that the lender/dealer is no longer in business:

- If the lender is a business and not a motor vehicle dealer:
 - a. Obtain written "Certificate of Fact" from the Clerk of the Commission for the Virginia State Corporation Commission (SCC) if the lender is a Virginia lienholder; or an official form from the licensing authority in the state where the lienholder is based. The form must state that the lienholder is out-of-business, has merged with, or been taken over by another business entity. Virginia lienholders can contact the Clerk's Office at the SCC at either (804) 371-9733 (local) or 1-866-722-2551 (out-of-town).
 - b. If the lender has merged with or been taken over by another company/corporation/or lender, include a lien release for the vehicle from the merged or takeover lender and provide supporting documentation linking the original lienholder with the merged or takeover lender.
- If the lender is a motor vehicle dealer:
 - a. Obtain written "Out-of-Business" confirmation from the Virginia Motor Vehicle Dealer Board (MVDB) or from the dealer licensing authority in the state where the dealer is based, confirming the dealer

is out-of-business, has merged with, or been taken over by another dealership. Virginia lienholders can contact the Motor Vehicle Dealer Board at (804) 367-1100, extension 2.
 - b. If the dealer merged with or was taken over by another company/corporation/or lender, include a lien release for the vehicle from the merged or takeover lender and provide supporting documentation linking the original lienholder with the merged or takeover lender.
- Evidence of request for lien release:
 - Returned certified mail addressed to the lender as evidence a lien release was requested for the vehicle.
 - Any other documentation which may serve to provide evidence of the satisfaction of the lien, such as payment stubs from the lienholder, billing notices, or any other evidence of lien payoff indicating that the lien has been paid in full.

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FRONT COUNTER CSR

Processing a lien release:

1. Review submitted title with signed lien release, or the lien release letter,
 - No lien release signature is required on the title if a valid lien release letter is also submitted.
2. Accept the [VSA 67](#):
 - The [VSA 67](#) is required only for customers submitting a lien release letter without a certificate of title signed by the lienholder.
3. Inquire on the vehicle record in the system to verify that:
 - A submitted title (if applicable) is the last issued title in the system:
 - If the system shows a title was issued AFTER the date printed on the submitted title, the title is not valid and the most current title with lien release, or a lien release letter must be submitted.

IMPORTANT: Always require submission of the title with the most current title issue date as shown in the system.
 - The lien release date on the title, or on the lien release letter, is later than the Lien Filing Date (date lien became effective) in the system,
 - The lienholder on the lien release matches the lienholder identified on the title and/or recorded in DMV's system,
 - No other liens/e-liens exist on the title record,
 - If multiple liens exist on the record, advise the customer that the title will be sent to the next lienholder on record (as determined by date order).

4. For lien release letters faxed from the lending institution to DMV:
 - a. Verify authenticity by checking for the following information:
 - Lienholder/lending institution's name displays in the source lines generated by fax machines at the top and/or bottom of the fax page, and
 - Lienholder is identified in the letterhead and/or in the body of the lien release, and VIN, make and year of the vehicle.
 - b. If questions remain about the authenticity of the lien release, contact the lienholder to verify the lien release.
 - c. Note on the lien release letter that the lien release was verified with the lienholder, if applicable.
 - d. If the lienholder does not verify the lien release:
 - i. Request the CSC Manager or designee review the lien release/title documents,
 - ii. If determined suspicious by management, photocopy the lien release documents submitted,
 - iii. Contact law enforcement (in accordance with [LE-1.00](#)).
5. Record the lien release in the system.
 - To process requests for release of an electronic lienholder lien, follow steps in the **Processing Requests for Releasing E-liens** table below:
REMEMBER: Once the E-LIEN HELD is released from a title record, the lien is no longer an electronic lien (e-lien) whether the title was printed or not. The lien is handled as a regular lien even though the lienholder code still displays as "ELT".

Processing Requests For Releasing E-Liens ¹	
When the Title Record Shows:	The CSR Will:
<ul style="list-style-type: none"> ➤ E-lien ➤ Released E-Lien Held ➤ Date in Title Doc Date Field (title was previously printed) 	<ol style="list-style-type: none"> 1. Verify submission of title and/or e-lien release letter 2. Release the e-lien 3. Print the clear title 4. Collect the substitute title fee
<ul style="list-style-type: none"> ➤ E-Lien ➤ Released E-Lien Held ➤ No Date in Title Doc Date field (title was NOT previously printed) 	<ol style="list-style-type: none"> 1. Verify submission of a lien release letter 2. Release the e-lien 3. Print the clear title 4. Collect no fee <p>NOTE: If the title will not print for some reason, contact the ELT Help Desk at (804) 367-2715 for assistance.</p>
<ul style="list-style-type: none"> ➤ Released E-Lien ➤ Released E-Lien Held ➤ Date in Title Doc Date Field (title was previously printed) 	<ol style="list-style-type: none"> 1. Print the clear title 2. Collect the substitute title fee <p>NOTE: No title or lien release letter is required.</p>
<ul style="list-style-type: none"> ➤ Released E-Lien ➤ Released E-Lien Held ➤ No Date in the Title Doc Date field (title was NOT previously printed) 	<ol style="list-style-type: none"> 1. Print the clear title 2. Collect no fee <p>NOTE: No title or lien release letter is required.</p>
¹ If an E-lien Print Held exists on the title record in the system, DO NOT RELEASE the e-lien or print the title. Advise the customer that the e-lienholder must electronically release the e-lien.	

6. If the customer requested the lien release be recorded in the system but does not request a clear title be issued:
 - a. Photocopy the lien release letter and/or certificate of title,
 - b. Return the original certificate of title and/or lien release letter to the customer,
 - c. Place the photocopies under the barcode cover sheet for the lien release transaction and submit with the day's work.
7. If the customer applies for a clear (lien free) title:

- a. Ask the customer if he would like DMV to maintain an electronic record of the title (refer to [VLIC-3.000](#)),
 - If yes, place a "CUST" held code on the vehicle record.
- b. If the title has been printed in the past, process the title as a substitute following procedures in [VLIC-3.120](#).
- c. If the title has never printed in the past, and the customer does not request it to be maintained electronically by DMV, the system will print the title automatically once the lien is released provided no other stops exist on the record,
- d. Collect the substitute title fee, if applicable,
- e. Give the title to the customer over-the-counter, or
- f. For electronic title records, give the printed registration card over the counter to the customer.
- g. Include the transaction documents with the day's work.

Unable to obtain lien release-lienholder out-of-business:

1. CSR reviews documents submitted by vehicle owner to ensure required documents are present,
 - Acceptable confirmation of lienholder's out-of-business, merged, or takeover status,
 - Post office receipts for returned, undelivered certified mail,
 - Payment stubs or other evidence of lien payoff,
 - Other documentation as submitted by vehicle owner.
2. CSR requests CSC Manager review documentary evidence for acceptability and for questionable or fraudulent intent.
3. CSC Manager:
 - a. Reviews confirmation of the lienholder's business status,
 - b. Reviews post office receipts and the unopened, undelivered mail:
 - Verifies the address on the envelope is consistent with the lienholder address as reported on the written confirmation,
 - Opens envelope and reviews to ensure the vehicle owner requested a lien release from the lienholder and identified the vehicle correctly by VIN, make, and year.
 - c. If questions remain, performs a search on the [National Information Center](#) website for additional information about the lending institution in question,
 - d. Makes a determination about the acceptability of the evidence submitted,
 - e. Notes on the owner's notarized statement detailing the reasons for the discretionary decision and signs indicating "manager's discretion",
4. If CSC Manager turns down the lien release request:
 - a. Advise the customer that evidence was not sufficient to meet the requirements for releasing the lien,
 - b. Prepare and provide to the customer a system Return Form outlining what must be submitted to successfully release the lien,
 - c. Sign across the flap of the undelivered returned mail envelope to indicate it was opened at the CSC (allows customer to use it again when returning with additional documentation),
 - d. Return all documents to the customer.
5. If CSC Manager accepts the request to release the lien based on the evidence provided, CSR does the following:
 - a. Notes on the vehicle record all documentation submitted to verify out-of-business lienholder and lien satisfaction,
 - b. Releases the lien following the guidelines beginning with [Step #3](#) under "Processing a lien release" above,
 - c. Prepare documents with correct barcode coversheet and place in appropriate area for document preparation.

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DMV CONTACT CENTER ACTIONS

- **To inquire on lienholder information in the system:**
 1. Inquire on the "**Vehicle Information**" screen and check the "**Number of Liens**" field.

2. To inquire on the lienholder name:
 - From your **“Additional Choices”** menu, select **“Liens”** or type “VEHLIN” in the command line and press enter under the “Lien Information” header, you will see the liens associated with the title click on the plus (+) sign to the left of the lien to view the lienholder name and address.

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POINTS TO REMEMBER

- Liens are recorded to a vehicle record from the Application for Title and Registration [VSA17A](#), submitted to DMV by the customer upon purchase of a motor vehicle, trailer, semitrailer, or manufactured home.
- Liens can be added to the vehicle record after the vehicle is titled with DMV. Liens that are added after a vehicle is titled using the [VSA-66](#) are called supplemental liens. A fee is charged to add a lien to an existing vehicle record.
- When more than one lien exists on a title, priority is determined by the date order in which the lien was recorded on the title.
- Liens that are not electronic (refer to Electronic Lien Program [VLIC-3.605](#)), are printed in overnight batch at Headquarters and mailed to the lienholder.
- Titles with electronic liens (e-liens) do not print until the E-Lien Held is released at the request of the electronic lienholder.
- Once the E-LIEN Print HELD is released from a title record, but the lien is not released, the lien is no longer an electronic lien (e-lien), whether the title was printed previously or not. The lien is treated as a regular lien even though the lienholder code still displays as “ELT”. CSCs are authorized to release a lien for an electronic lienholder once the E-Lien Print HELD has been released provided the required signed off title or lien release letter is submitted.
- The lien release letter or title signed or stamped in the lien release field is sufficient proof of lien satisfaction and is required when transferring vehicle ownership.
- Although it is recommended, vehicle owners are not required by law or policy to report satisfied liens to DMV. A lien that is indicated as satisfied by the lienholder’s signature, or stamp, on the title is sufficient evidence of satisfaction.

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RELATED LINKS

[Electronic Lien Program Frequently Asked Questions \(FAQs\)](#)

[VLIC-3.605](#), Electronic Lien Program (ELP)

[Motor Vehicle Dealer Board \(MVDB\)](#)

[State Corporation Commission](#) (SCC)

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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](#)