Vehicle Licensing Guide

Transfer and Supplemental Lien-Application For VLIC-3.620

Original Date: 05/06/2002 **Revision Date:** 03/25/2025

Eligibility

Customer Requirements Front Counter CSR

Frequently Asked Questions (FAQs)

Contact

POLICY

Title: Transfer and Supplemental Lien-Application For

Effective Date: May 6, 2002 Revision Date: December 10, 2016

Authority: Code of Virginia §§ $\underline{46.2-636}$, $\underline{46.2-637}$, $\underline{46.2-640}$, $\underline{46.2-641}$, **<<<<REVISION** $\underline{46.2-642}$, **END REVISION>>>>** 46.2-643

Policy:

Security interests (liens), other than those in inventory held for sale by motor vehicle dealers, in motor vehicles, autocycles, mopeds, motorcycles, trailers, or semitrailers, created by the voluntary act of the owner *after* the original issue of a certificate of title to the owner must be shown on the certificate of title.

In some cases a lien recorded on a Virginia title is transferred, or sold to another lienholder.

<<<<REVISION

The owner and lienholder are responsible to complete an Application for Transfer and Supplemental Liens (<u>VSA 66</u>) requesting the lien transfer, or addition of supplemental lien, and for payment of required fees. **END REVISION>>>>**

The last issued certificate of title must be surrendered at time of application, when available, and once determined acceptable, DMV shall issue a new certificate of title, showing security interests in the order of their priority according to the date application was filed.

The certificate of title showing the lien(s) shall be printed in overnight batch at Headquarters and delivered to the lienholder having first priority, or for electronic liens (e-liens), held electronically until the e-lien is released electronically by the lienholder.

Exception:

Priority of liens or security interests on certificates of titles shall not apply to liens for taxes pursuant to Va. Code § 58.1-3942, liens of keepers of garages pursuant to Va. Code § 46.2-644.01, and liens of mechanics for repairs pursuant to Va. Code § 46.2-644.02.

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ELIGIBILITY

The last issued certificate of title must be submitted at time of application when transferring or adding a supplemental lien.

A supplemental lienholder applicant must obtain a paper title from the primary lienholder in order to record the supplemental lien. Possession of the title by the supplemental lien applicant is sufficient to show permission from the primary lienholder.

For electronic liens, the primary lienholder must apply for a paper title from DMV and give the paper title to the supplemental lien applicant for use in recording the supplemental lien. If the primary e-lienholder is also the supplemental lien applicant, a title is not required to be submitted. A new electronic lien is established showing both liens (whether or not the supplemental lienholder is electronic) and electronically sent to the primary lienholder. No title is sent to the supplemental lienholder, unless he is one and the same as the primary lienholder.

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For transferred liens, only the signatures of the lienholder are required on the application. Vehicle owner signatures are not required. **END REVISION>>>>**

Stamped, computer generated, or electronic lienholder signatures are acceptable if it can be reasonably determined there is no fraudulent intent and the documents appear to be official.

For customers unable to secure a release of a lien, refer to VLIC-3.615.

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CUSTOMER REQUIREMENTS

1. Submit the following:

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Supplemental Lien

Certificate of Title

NOTE: Submission of the title is not required if a lien is currently held by the same electronic lienholder that is applying for a supplemental lien.

AND

- Application for Transfer and Supplemental Liens, (VSA 66)
 - o Owner and co-owner signatures are required.

Transfer of Lien

Certificate of Title

NOTE: Submission of the title is not required if a lien is currently held by the same electronic lienholder that is applying for a supplemental lien.

AND

- Application for Transfer and Supplemental Liens, (VSA 66)
 - o Only lienholder signatures are required.
- 2. Pay appropriate fees. END REVISION>>>>

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FRONT COUNTER CSR

- 1. Verify accurate completion of Certificate of Title and VSA 66.
 - Applications for Transfer and Supplemental Liens (<u>VSA 66</u>) may be accepted with stamped, computer
 generated, or electronic lienholder signatures if determined there is no fraudulent intent, the documents
 appear to be official, and a business check has been submitted from the lienholder for supplemental liens.
 - For supplemental liens, all co-owner signatures are required on the VSA 66.
 - For transferred liens, only the signatures of the lienholders are required on the application. Vehicle owner signatures are not required.
- 2. Verify that the customer-address on file is correct, and change if necessary. (Refer to DLG-0601.)
- 3. Verify receipt of all required documents.
- 4. If the box on the <u>VSA 66</u> is checked that indicates the lien is an Electronic Title, verify that the title information in DMV's records shows the same lienholder.
- 5. Ask the customer if he would like DMV to maintain an electronic record of the title (no paper title print) (refer to VLIC-3.430.
- 6. Collect fees.
- 7. Prepare documents with correct barcode coversheet and place in appropriate area for document preparation.

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FREQUENTLY ASKED QUESTIONS (FAQs) – TRANSFER AND SUPPLEMENTAL LIENS	
Questions	Answers
When is a supplemental lien added?	When a lien needs to be added to a title that has already been issued.
In what order are supplemental liens shown on a certificate of title?	Liens are shown on a certificate of title in the order that they were established.
When does a transfer of lien occur?	When a lien is transferred from one lienholder to another.
Is a title required to add a supplemental lien if the current lien is electronic?	Yes, the electronic lienholder must request a paper title and give it to the supplemental applicant to submit along with the <u>VSA 66</u> .
When can a <u>VSA 66</u> be submitted without a title?	Supplemental: If the title is held by an electronic lienholder (see check box on <u>VSA 66</u> in current lien information) and the supplemental lien is held by the same lienholder.
	Transfer of Lien: If a lien is being transferred from one electronic lienholder to another.
Can a supplemental lien be added to a title that currently has a lien?	Yes, the supplemental lienholder must receive permission from the primary lienholder to record their lien. Possession of the title by the applicant is sufficient to show permission.
Who receives the title after a lien is transferred or a supplemental lien is added?	The title will print in an overnight batch and be mailed to the primary lienholder (unless they are electronic).

END REVISION>>>>

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CONTACT

For additional information contact:

- Your CSC Manager/Assistant Manager VSA/<u>Titling Work Center</u>

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