



AAMVA Electronic Vehicle Titling Frequently Asked Questions

Introduction

The following frequently asked questions (FAQ) have been compiled from feedback received at AAMVA conferences and during AAMVA webinars. These FAQs relate to AAMVA's Proof of Concept (POC) for electronic vehicle titling involving an interstate casual vehicle sale. After each question is a response provided by AAMVA staff. For questions or comments regarding this document, please contact Paul Steier at psteier@aamva.org.

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The following are FAQ Categories

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USE OF A TOKEN FOR THE PROOF OF CONCEPT
IDENTITY VERIFICATION AND VALIDATION
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The Following Acronyms are Used in this Document

AAL2 – Authentication Assurance Level 2
ELT – electronic lien and title
ERT – electronic registration and title
EVR – electronic vehicle registration
IAL2 - Identity Assurance Level 2
MCO – manufacturer certificate of origin
MVA/DMV – motor vehicle agency or department of motor vehicles
POC – proof of concept

Frequently Asked Questions (FAQ)

TECHNOLOGY AND PROCESSES FOR THE PROOF OF CONCEPT

1. How can we reflect the different vehicle disclosure requirements of each jurisdiction during an e-title transfer? For example, Iowa requires a damage disclosure for seven model years or less. Other states have other thresholds or none at all for damage disclosure.

Specific MVA requirements for completing the title transfer and information the MVA may require for the title application is dependent upon the title issuing MVA (buyers) and their laws, rules, and policies. The POC is focused on providing the minimum data elements needed to substantiate the transfer of the vehicle record. As is the case today, each MVA may have specific title application requirements the buyer may be required to complete.

2. Will the POC include a use case with both the buyer and seller in the same state?

The first POC involves an interstate transaction between two individual parties, residing in different jurisdictions, for a private party sale. AAMVA will make available technical specifications and a procedures manual for the POC to assist MVAs in researching an intrastate process. MVAs may also include use of the token process for intrastate transactions.

Through the AAMVA survey and assessment process, MVAs will be able to establish a strategy to develop or enhance an intrastate electronic vehicle titling process. More information will be available soon regarding these details.

3. Is there any thought that the buyer needs to be able to “see” parts of the title before completing the purchase? For example, that there is no lien on the vehicle, and brands on the vehicle, confirm the VIN, and confirm current owner before transferring the money.

Yes, the POC will include the ability for the seller to allow the buyer to review title record information and examine information the buyer would normally have seen on the paper title. MVAs will also need to review their jurisdiction laws, rules, and policies regarding disclosure of personally identifiable information. The buyer should be encouraged to purchase a separate vehicle history report (i.e. [NMVTIS Vehicle History Report](#)) to obtain additional information and vehicle record confirmation.

4. What happens if payment is made outside of the DMV, and then the seller refuses to release the title?

The first POC does not include any payment transaction between buyer and seller, this occurs outside the electronic vehicle titling system and outside of the MVA. If the seller refuses to release ownership of the vehicle, the buyer may need to file a complaint with the proper authorities or pursue other legal action against the seller for failing to deliver title.

5. What happens when there is still a lien on a vehicle in the casual sale POC?

The first POC does not include a transaction that includes an active lien on a vehicle. Liens have been identified as a use case and will be included in future phases of a POC. We realize lien information and lien status are important factors to consider with vehicle transactions.

6. This is in the weeds, but is it necessary to establish date of sale? How do we account for time zone differences and how that works for establishing date of sale? Was the vehicle sold based on the seller’s time zone, or the buyer’s time zone?

A date of sale will not be established by the POC. When necessary, each MVA will need to determine a sale date based on their laws, rules, policies, and data provided. Data elements from the transaction will be available to aid in this determination.

7. Are you also looking at electronic signatures as part of this transfer for the odometer disclosure?

Yes. Electronic odometer disclosure containing electronic signatures that are compliant with NIST Identity Assurance Level 2 (IAL2) authentication is required as a part of this proof of concept. 49 CFR 580 requires the use of electronic signatures in compliance with NIST IAL2 when using electronic vehicle titles with electronic odometer disclosure statements.

8. How and where in the process are signatures on the odometer statement collected?

For the first proof of concept, odometer disclosure signatures are collected during the transaction by the seller and buyer's motor vehicle agencies within their system. For the seller, this occurs when they acknowledge the selling and release of ownership to the buyer. For the buyer, this occurs when the record is received by the buyer's jurisdiction.

9. Is this projected to operate in a clearinghouse model, as opposed to MVA-to-MVA messaging?

For this POC, we have not identified the need for a clearinghouse and will rely on MVA-to-MVA messaging.

10. What if the buyer's jurisdiction does not title the seller's vehicle type?

The seller and buyer will complete their portions of the electronic vehicle title transaction as normal. This information will be available to the buyer's MVA which, along with the required application information from the buyer, will complete the transfer of ownership. Specific MVA procedures related to issuance of a title or registration only will be at the discretion of the buyer's MVA, dependent upon their laws, rules, and policies. See also question 4 above.

11. Do you anticipate difficulties with interfaces to the various jurisdiction's systems?

AAMVA jurisdictions exchange data via the AAMVAnet network already so we do not anticipate any concerns.

12. Will this same process of electronic titling be possible if there are some paper documents involved in the sale? For instance, if the seller's jurisdiction uses electronic titling, but the vehicle has an older paper title as well, how might that process work? Do the paper documents just become invalid at that point? Will the seller be notified that the paper title is now invalid?

For the first POC, the seller's jurisdiction will be instructed to notify the seller that the use of the electronic transaction will invalidate the paper title if one exists. The POC team is still exploring what additional mechanisms will need to be put in place to prevent the seller from using the paper title after the transaction is completed.

13. What if a vehicle has multiple owners and all owners must authorize the transfer and sign the odometer disclosure? What if one jurisdiction requires all owners to sign, the other only one to sign?

The first POC will only involve one seller and one buyer. Future POCs will address multiple owners and/or buyers. It is anticipated that signature requirements of the selling jurisdiction will need to be completed prior to the release of the vehicle title data to the buyer's jurisdiction. The buyer's jurisdiction will then require completion of the signature(s) according to its requirements during the title application process.

14. Will vehicle dealers and auctions, floor planners, and lenders have access to the MVA system to review and validate electronic title information since there won't be a paper title?

The first POC does not include access to the vehicle information other than the private party seller and buyer. It is anticipated future POCs will research how these stakeholders will access electronic vehicle title information to satisfy their business needs.

15. Will transactions be required to be posted in real time? Meaning, they can be queried instantly without having to wait for a system refresh.

For this POC, the transactions considered in the POC will be completed and updated in real time allowing for immediate query of the vehicle title record by the seller, the buyer and their respective MVAs. However, the issuance of the new title for the new owner will be a subsequent process that may or may not occur immediately following the transfer of the record to the buyer's MVA. Buyers may decide to wait prior to apply for the new title and each jurisdiction will need to apply their own regulations and policies regarding the elapse time that will be allowed between the transfer of the record and the application for a new title. For electronic vehicle titling to be successful, the delay between the transfer of the record, the issuance of the new title, and update of NMVTIS will need to be minimum.

16. Do open standards and MVA apps play a role here?

Standards created by AAMVA will be for the purposes of sharing interstate vehicle title information that is interoperable with each MVA. These standards will be vendor agnostic to allow flexibility among MVAs to utilize technology that best meets their needs. MVAs may implement apps to allow customers convenient access to title information and title transactions.

17. In the process of a private party sale from a paper title, there is often data recorded on the paper ownership document; buyer information, odometer information, and lien information come to mind. If this information is not reported directly to the issuing jurisdiction, or the vehicle is sold in a different jurisdiction, is there concern that data would be lost? How is that risk mitigated with this process?

This POC is focused on providing the minimum data elements needed to substantiate the transfer of ownership which would be similar to what is required on paper title documents. The electronic vehicle title transaction would not be allowed to occur unless the participating MVAs provide the required data elements. As is the case today, each MVA may have specific title application requirements that the buyer may be required to complete.

18. Will title issuance include a date and time stamp for an electronic title that may be issued the same day in a real time system?

Yes. For this POC, we anticipate a requirement for a date and time stamp relevant to each electronic vehicle titling transaction. The issuance of an electronic vehicle title is outside the scope of the POC however, it is considered best practice to have the title issuance date and time stamp to be identical between the master record in the MVA system and the electronic title representation that may be stored at a different location.

19. What if the system is down, what is the contingency plan to make sure all titles are updated correctly?

If the interstate electronic vehicle titling system is not functioning properly, the transaction will not be able to be completed at that time. The transaction will be delayed until the system is back in operation, at which time the transaction can be completed and title record updated.

20. In the interstate transaction example, buyer transmits intent to buy and seller transmits release of ownership, does all of this happen by or with the DMVs? Does this happen after the transaction has taken place or before? How long (in theory) do we expect?

The different transactions (request vehicle information, buyer transmit intent to buy, and seller transmits release of ownership) are all triggered by the seller and the buyer via their respective MVA system. They do not however require any MVA staff involvement. The entire electronic transaction between buyer and seller should be completed quickly if both parties are in agreement and conduct the necessary steps in a timely manner. How and when the private parties complete the remainder of the transaction such as payment and physical vehicle delivery is determined by the parties involved and not a part of any MVA interaction.

21. What guarantee would the buyer paying cash have that the seller would indeed transmit the token to them?

A benefit of the token is to provide trusted parties within the transaction the ability to allow vehicle information to be shared securely with one another prior to the sale occurring. The actual transaction between buyer and seller involving transferring or providing funds will need to be determined by the individuals involved in the transaction. Similar to today, the buyer and seller must agree on the terms and conditions of the transaction. If either party fails to complete their required part of the transaction, a complaint may be filed with the appropriate authorities or other legal action may be taken.

USE OF THE TOKEN FOR THE PROOF OF CONCEPT**1. What if the token is given to the buyer, but then the buyer is non-responsive or no longer interested? Can the seller manually invalidate that token or generate a second?**

It is anticipated that the token will expire in a set amount of time and the seller will be able to generate a new token.

2. In the proposed model, both seller and buyer are making a call to the DMV. Could the token not include the necessary data digitally signed and avoid the buyer making another verification and instead just use a peer-to-peer verification?

The current POC design relies on the seller and the buyer working to transfer the ownership directly through their respective MVA's system. This will ensure consistency and synchronization of the e-title with the title of record at the MVA at any given time.

3. Are we looking at requirements for the token sent to the buyer to be encrypted in such a way that it only works for the buyer?

The token is not encrypted and is used in combination with the VIN and the seller state code to initiate the transactions. The token will only allow access to a vehicle record through a participating MVA's system for a customer with a verified customer account. It can only be used one time.

4. Is the token reference and cryptography going to be universal (across the jurisdictions) or jurisdiction specific and relevant to the technology used by each jurisdiction?

The token will be universal and technology agnostic so it can be used by any jurisdiction participating in the POC. Token specifications will be provided to each participating MVA to ensure consistency. This will also be the strategy moving forward with other POCs and pilot projects.

IDENTITY VERIFICATION AND VALIDATION**1. Can we establish identification best practices for business owned vehicles? Any ideas on how that could work?**

The first POC is addressing private party transactions with individuals residing in two different jurisdictions who have established verifiable identities and accounts with the MVA. We anticipate a future POC involving transactions with businesses and identifying the parties involved in the transaction. Ultimately, a person will be responsible for completing the title transaction and signing an odometer disclosure statement on behalf of the business and therefore will likely need to have an authenticated identity through a defined process.

2. In an interstate casual sale, how can one jurisdiction's e-title system verify the identity of a buyer who is from another jurisdiction?

For the first POC, the seller's jurisdiction MVA will validate the identity of the seller; the buyer's MVA will validate the identity of the buyer. There is no need for an MVA to validate the identity of the out-of-state party.

3. For the casual sale, does the buyer have to give the seller information other than his name?

For the first POC, the buyer and seller are required to complete the odometer disclosure statement which includes the address as required by federal law. How much personally identifiable information is required or allowed to be shared with the seller and buyer is at the discretion of the participating MVAs, based on their laws, rules, and policies.

4. Is the use and/or presentation of digital credentials like an mDL a legitimate example for the IAL2 use case?

This will need to be assessed by each jurisdiction but the use of digital credentials for helping meet IAL2 standards is a valid use case.

5. What technologies are you looking at to authenticate the buyer and seller? What data format will the vehicle title be in?

The choice of technology to authenticate buyer and seller will be left to the MVAs' discretion, but it will have to ensure that the authentication is done at NIST Identity Assurance Level 2 (IAL2) and Authentication Assurance Level 2 (AAL2). The data exchange between parties will be using REST/Json.

PARTICIPATION IN THE PROOF OF CONCEPT AND PILOT PROGRAMS**1. Can additional MVAs be part of the pilot?**

Additional MVAs will be invited to participate in this project during key milestones to ensure proposed solutions can be implemented nationwide. Any MVA that would like to be considered for future participation should contact Paul Steier at psteier@aamva.org. MVA staff and all stakeholders are invited to participate in the AAMVA Electronic Vehicle Titling webinars to learn about the latest progress. Contact Paul Steier to obtain information about these webinars.

2. Can a jurisdiction participate even if they don't meet all the requisites?

There will be specific requirements for MVAs to participate in future proof of concept and pilot projects. The requirements for participation may vary depending upon the specific use case being developed. AAMVA will initially have MVAs complete an assessment to determine where they are with the elements and processes of electronic vehicle titling. Please contact Paul Steier at psteier@aamva.org if you are interested in learning more about participating.

ELEMENTS AND TOOLS FOR ELECTRONIC VEHICLE TITLING**1. What do you see as the role of ERT, EVR, and ELT service providers in the proof of concept?**

The first POC addresses private party transaction between two individuals residing in two different jurisdictions who have established verifiable identities and accounts with the MVA. No vehicle dealers or liens are included with the first POC and therefore, no ERT, EVR, or ELT programs are involved. It is anticipated these programs will be utilized as part of future POCs.

2. Is it preferred to start an ELT or EVR program, or roll out both programs depending on the stakeholders, i.e. lenders holding ELT while dealerships can utilize EVR program?

Each MVA will need to determine an implementation strategy depending upon their program needs and resources. As part of the AAMVA survey and assessment process, MVAs will have an opportunity to meet with AAMVA staff and discuss viable options for a course of action.

3. How will states' ELT systems be incorporated into the pilot?

The first POC addresses private party transactions with single owners and vehicles with no liens, no brands, and no leases. Therefore, no ELT system will be involved. In the future, we anticipate a POC use case addressing transactions including vehicle liens and potentially other conditions such as brands and leases. At that time, research would be conducted into the use of ELT systems for interstate vehicle transactions.

4. Have you considered adding a role for an escrow services provider in the casual sale scenario?

Not at this time.

5. Can you expand on the proposal to leverage Dealer Management Systems? What role might the DMS play?

The first POC addresses private party transactions between two individuals residing in two different jurisdictions who have established verifiable identities and accounts with the MVA. Therefore, no dealer management system is involved in this phase of the POC. Limited research has been conducted into retail dealer transactions, but in a future use case we anticipate researching the potential role for dealer management systems.

6. How does AAMVA define "Electronic Lien and Title" and "Electronic Registration and Title"? Is there a document that explains these and other jurisdiction requirements?

AAMVA has developed an [Electronic Titling Framework](#) document that defines these terms and many others, and also provides the overview of these elements for which electronic vehicle titling is built upon.

7. It would be helpful if AAMVA recommended as a best practice that MVAs should require lienholders (in the car finance industry) to file lien releases electronically and that mail in lien releases are not acceptable.

AAMVA will be conducting surveys with all MVAs to help them in assessing their current status with use of the elements for electronic vehicle titling, including the ELT program. It is recommended that ELT be a required program with mandatory participation to maximize program efficiency and to eliminate the potential for fraud.

NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM (NMVTIS)**1. Will we be adding an indication to NMVTIS for electronically issued titles?**

We are considering the potential of adding an indicator in NMVTIS to reflect if the official title record is held electronically or is in paper form. We realize there is value and fraud prevention benefits in MVAs knowing what format the official title record is in. More information will be available on this research in the future.

2. Will the buyer acceptance portion of the transaction (which includes the odometer disclosure information and vehicle information) offer or require an NMVTIS inquiry to capture any reports of damage that were not reported directly to the seller's jurisdiction?

MVAs will be encouraged to provide information to buyers on how they can request an [NMVTIS Vehicle History Report](#) via an approved NMVTIS Data Provider prior to confirming their intent to purchase the vehicle.

AAMVA TOOLKIT, ASSESSMENT, AND WEBSITE RESOURCES**1. Will the information from translating the assessment be shared with the associate members? If yes, how will the results be made available?**

This is currently being reviewed as to what, if any, of the assessment information will be publicly available. More information about the assessment process will be shared when it becomes available.

2. Can AAMVA please publish the assessment info in the form of a map for jurisdictions? It is vital for title agencies to be able to see what surrounding states are doing as it helps our staff process informed transactions.

What information will be available to other MVAs regarding assessment results is still under consideration. MVAs may also use their own discretion in sharing these results with other MVAs.

NEW VEHICLE INFORMATION

1. It seems to me that the best way to start a vehicle in e-title is to have an e-MCO. Has anyone had any conversations with manufacturers about that and what that might look like?

We have not spoken directly with manufacturers yet on this topic, but it is on a task list and is an identified use case. We are reviewing a model where paper MCOs may not be necessary if the validation of vehicle production takes place, and necessary new vehicle data is provided electronically directly from the selling franchised vehicle dealer to the MVA. This process has been in use in one jurisdiction for nearly 30 years. The use of paper MCOs has unfortunately seen significant increases in fraud so we want to make sure methods going forward focus on fraud prevention.

FRAUD PREVENTION AND DETECTION

1. How will the system eradicate falsified titles and VIN cloning?

By eliminating the use of a paper title, the POC will allow the sellers and the buyers to exchange, electronically, vehicle records directly from one MVA system to another MVA system. This process will render the production of new fraudulent titles extremely difficult.

It will remain imperative that MVAs continue to be proactive in examining paper title transactions to prevent and detect fraud. The use of [AAMVA's Fraud Detection and Remediation \(FDR\) program](#), NMVTIS, and VIN decoder programs remain the standard resources for fraud prevention and detection.

MISCELLANEOUS

1. What has been the public reception for electronic title transfers? Has it been difficult to educate them about how to do a transaction?

Most MVAs offering electronic vehicle titling or elements of it provide information on their website to inform the customer of the programs use and requirements. MVAs who have electronic vehicle titling or elements of it have reported positive public support for the program(s). It will be imperative for MVAs to provide public education and training to encourage wide-spread adoption.

2. I understand that the stated goal is to eliminate paper titles. Are we also attempting to eliminate in-person office interactions for these interstate transfers?

Yes. For the POC, the electronic vehicle title transaction will be able to be conducted online and outside of the MVA office. The MVA will need to establish an online payment process for the completion of the title application.

3. Are all MVAs participating in some format of electronic titling or are some MVAs opting out.

Participation in providing electronic vehicle titling is at the discretion of each MVA. There are no federal or national mandates requiring MVAs to offer elements of electronic vehicle titling. AAMVA is not aware of any MVA that has stated they have no intention of offering some form of electronic vehicle titling.

4. Are there any projects at AAMVA focused on publishing just a vehicle title record for use within the state (e.g., proof of title/registration for law enforcement)? Would this project generate that data model?

Other than the NMVTIS program which provides and facilitates the movement of vehicle data elements to MVAs and is available through an [NMVTIS Vehicle History Report](#), AAMVA does not anticipate publicly providing additional vehicle title record information. For purposes of law enforcement, they would continue obtaining vehicle record information through their jurisdiction telecommunication program and Nlets, The International Justice and Public Safety Network.

At this time, AAMVA is not planning to develop a template for a vehicle record to be exchanged within a state or with law enforcement. However, the [AAMVA D20 data dictionary](#) provides a national standard for describing vehicle information.

5. Has any MVA considered allowing their constituents to decide between either an electronic title or a physical paper title?

There are a limited number of MVAs today that provide some form of electronic vehicle titling and we are not aware of any jurisdiction requiring an electronic vehicle title, it is optional.

6. Are you looking at interstate casual sale transactions ahead of intrastate dealer sales from a priority perspective?

We believe the interstate vehicle casual sales between two individuals is the simplest title transfer transaction and therefore the best use case to fully develop first. Once the process and system are developed based on this use case, we will move to more advanced elements and transactions, such as including liens, title brands, and interstate dealer transactions.