



March 26, 2020

Registration and Title Bulletin # 007-20 Policy and Procedure

TO: All County Tax Assessor-Collectors and Insurance Companies

SUBJECT: **Additional Availability of the Bonded Title Process and Determination of Eligibility**

PURPOSE

To provide guidance on the additional availability of the bonded title process and the issuance of a *Notice of Determination for a Bonded Title or Tax Assessor-Collector Hearing* (Form VTR-130-ND).

BACKGROUND

The department reviewed the current bonded title procedures and determined there are additional situations in which applicants may qualify for a bonded title and will no longer provide a “Rejection Letter” when approving an applicant for a bonded title.

The current bonded title procedures restrict applicants from obtaining a bonded title in situations where another statutory remedy exists. For example, vehicles subject to any of the miscellaneous foreclosure liens are prohibited from issuance of a bonded title and currently require issuance of a court order.

DETAILS

Effective immediately, an applicant that meets the criteria listed in Transportation Code, §501.053, is eligible for a bonded title unless there is a statutory provision excluding the vehicle or applicant from filing a bond, or the vehicle is not eligible for a title. An applicant may obtain a title by filing a bond with the department if the vehicle is in the possession of the applicant and there is no security interest on the vehicle; any lien on the vehicle is at least 10 years old; or the person provides a release of all liens with the bond.

As a result, the following vehicles are now eligible:

- Abandoned vehicles subject to Transportation Code, Chapter 683, unless the vehicle has been issued a Certificate of Authority to Demolish;
- Vehicles subject to an operation of law;
- Vehicles subject to a miscellaneous foreclosure lien;
- Unrecovered stolen vehicles; and
- Vehicles involved in ownership litigation, unless an OP-Legal Restraint is on the record.

The following vehicles remain ineligible for a bonded title:

- Vehicles not eligible to receive a title under current statute;
- Incomplete vehicles;
- Vehicles not manufactured for sale or distributed in the United States (gray market vehicles) where the applicant is unable to provide proof of compliance with the United States Department of Transportation safety requirements;
- Salvage or nonrepairable vehicles sold for export; and
- Vehicles previously surrendered to salvage yards for parting or scrapping (contain the SURRENDERED BY SALVAGE YARD or CRUSHED remarks on the RTS record).

The *Bonded Title Application or Tax Collector Hearing Statement of Fact* (Form VTR-130-SOF) has been revised as a result of these changes and is attached.

Effective April 1, the department will begin issuing a *Notice of Determination for a Bonded Title or Tax Assessor-Collector Hearing* (Form VTR-130-ND) to applicants who are eligible to pursue a bonded title. This form will replace the “Rejection Letter.” A sample (with the Certification of Lien Satisfaction) has been attached for your review. “Rejection Letters” issued prior to April 1, 2020, remain valid for one year after issuance.

Additional information can be found at <https://www.txdmv.gov/motorists/buying-or-selling-a-vehicle/bought-a-vehicle-with-no-title>. The *Motor Vehicle Title Manual* will be updated to incorporate these changes with the April revision.

COUNTY ACTION

Please ensure eligible applicants are informed of the bonded title option. Do not instruct applicants to pursue a court order when they are eligible for a bonded title.

Please carefully review all title applications supported by a bond. Ensure you are not accepting a TxDMV “Rejection Letter” with a date of April 1, 2020, or later. Ensure the application is accompanied by a *Notice of Determination for a Bonded Title or Tax Assessor-Collector Hearing* (Form VTR-130-ND).

CONTACT

If you have any questions, please contact your local Texas Department of Motor Vehicles Regional Service Center.

Sincerely,



Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

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Attachments