

FACT SHEET

National Motor Vehicle Titling Information System (NMVTIS) Frequently Asked Questions

PURPOSE

- ❖ The purpose of this fact sheet is to provide information on the National Motor Vehicle Titling Information System (NMVTIS)

QUESTIONS AND ANSWERS

Q. What is the National Motor Vehicle Titling Information System (NMVTIS)?

A. The Federal Anti-Car Theft Act was passed in 1992 with a goal of preventing and deterring auto theft. Title II of the Act authorizes NMVTIS and is intended to address automobile title fraud. The following points illustrate why NMVTIS is so important:

- ❖ 1.3 million vehicles are stolen each year and only 63 percent are recovered;
- ❖ Auto Fraud is a profitable business that burdens state and consumers;
- ❖ Auto theft alone costs consumers and insurance companies nearly \$8 billion per year;
- ❖ Approximately 570,000 vehicles were affected by hurricanes in 2005, and many of these have been targets for vehicle title fraud (“brand washing”). Experian Automotive reported that in the first six months of 2008, there were more than 185,000 vehicles initially branded in one state, but then transferred and re-titled in a second state with a “clean” title; and
- ❖ Creation of false Vehicle Identification Numbers (“VIN Cloning”) is a growing trend.

Q. What is the purpose of NMVTIS?

A. The National Motor Vehicle Title Information System (NMVTIS) is designed to protect consumers from fraud and unsafe vehicles and to keep stolen vehicles from being resold by allowing state titling agencies to further verify the validity of ownership documents before they issue new titles. NMVTIS is also a tool that assists states and law enforcement in deterring and preventing title fraud, and other crimes. In addition, consumers are protected from unknowingly buying damaged vehicles because brands – descriptive labels that states assign to a vehicle to identify the vehicle’s current or prior condition, such as “junk,” “salvage,” “flood,” or other designations that convey additional information concerning the value of the vehicle – are not lost when the vehicle travels from state to state.

NMVTIS was created to:

- 1). Prevent the introduction or reintroduction of stolen motor vehicles into interstate commerce;
- 2). Protect states and consumers (individual and commercial) from fraud;

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- 3.) Reduce the use of stolen vehicles for illicit purposes; including funding of criminal enterprises; and
- 4.) Provide consumers protection from unsafe vehicles.

Q. What requirements must Pennsylvania fulfill to be compliant with NMVTIS regulations?

- A. Each state is required to perform an instant title verification check with NMVTIS before issuing a certificate of title for any vehicle that is changing ownership. The purpose of the verification check is to:
- ❖ Determine the validity and status of the documents presented when seeking to title a vehicle;
 - ❖ Determine whether the vehicle has been reported as a junk or salvage vehicle;
 - ❖ Compare and verify the odometer information presented with what has been reported to the system previously for the vehicle; and
 - ❖ Determine the validity of other information presented (e.g., lienholder status).

Q. What types of vehicles are included in NMVTIS?

- A. NMVTIS includes information on passenger vehicles, buses, trucks, motorcycles, recreational vehicles, motor homes and tractors.

Q. How current is the information in NMVTIS?

- A. Currently, the data provided to NMVTIS by states is provided in a variety of timeframes. While some states report and update NMVTIS data in “real-time” (as the title transaction occurs), others send updates less frequently, such as once every 24 hours or within a period of days. Pennsylvania began providing vehicle titling information to NMVTIS in “real time” in May 2010.

Q. How many states participate in NMVTIS?

- A. For a listing of participating states, visit www.vehiclehistory.gov.

Q. What is a “Brand”?

- A. A “brand” is a descriptive label that states assign to a vehicle to identify the vehicle’s condition, such as “junk,” “salvage,” “flood,” or other designations that impacts the value of the vehicle. By capturing into one system specific information on vehicles multiple entities, NMVTIS offers states and consumers protection from title fraud. For example, after Hurricane Katrina, authorities reported truckloads of flooded vehicles were taken out of Louisiana to other states where they were dried out, cleaned and readied for sale to unsuspecting consumers. Prospective purchasers of these vehicles may have not known the vehicles had been subjected to a saltwater flood that made the vehicles’ electrical systems (including the airbag sensors) more prone to failure.

Q. What are the benefits of NMVTIS?

- A. Where implemented, NMVTIS has already produced results, including time and cost savings for state motor vehicle titling agencies, reductions in consumer wait times, decreases in motor vehicle thefts and improved recovery rate of stolen vehicles. Results produced to date include;
- ❖ Arizona realized reduced customer wait times and the ability to identify problems upfront due to online, accurate data;

- ❖ Virginia documented a 17 percent decrease in motor vehicle thefts;
- ❖ Arizona experienced a 99 percent recovery rate on vehicles identified as stolen;
- ❖ Arizona, Florida and Virginia worked together to identify cloned vehicles prior to issuing new titles. Vehicle cloning is a crime where stolen vehicles “assume the identity” of legally owned vehicles using counterfeit plates, stickers and titles; and
- ❖ Florida cracked a car theft ring responsible for cloning more than 250 cars valued at \$8 million.

Q. Who operates and manages NMVTIS?

- A. The U.S. Department of Justice (DOJ) is responsible for oversight of the implementation and operation of NMVTIS. The Federal Anti-Car Theft Act of 1992 authorized the designation of a third-party operator of NMVTIS and, since 1992, the American Association of Motor Vehicle Administrators (AAMVA) has acted in this capacity. AAMVA is a nonprofit educational association representing U.S. and Canadian officials responsible for the administration and enforcement of motor vehicle laws.