



October 15, 2013

Registration and Title Bulletin # 037-13 Policy and Procedure

TO: All County Tax Assessor-Collectors

SUBJECT: Procedures for Bonded Titles

PURPOSE

(This RTB rescinds and replaces RTB #025-13.)

To implement Section 54 of House Bill 2741.

DETAILS

Effective September 1, 2013, new restrictions and procedures apply to applications for bonded titles. A person may file an application for a bonded title if the vehicle is in the possession of the applicant and:

1. There is no lien recorded on the vehicle record; or,
2. A lien is recorded on the record but is 10 or more years old; or,
3. There is a recorded lien that is less than 10 years old and a release of lien(s) or certification by the bonding company that any lien(s) have been satisfied is attached to a valid bond.

When TxDMV resources indicate a recorded lien of less than 10 years old, and all other eligibility requirements as listed on the Form VTR-130-SOF are met, a TxDMV rejection letter will be issued. This TxDMV rejection letter will contain a statement that the bonding company is responsible for ensuring a release of lien(s) is attached or certifying that the lien(s) have been satisfied.

When no liens exist, or if the recorded liens are 10 or more years old, and all other eligibility requirements as listed on the Form VTR-130-SOF are met, the standard TxDMV rejection letter will continue to be issued.

REGIONAL ACTION

When accepting a VTR-130-SOF for the issuance of a TxDMV rejection letter, use available resources to determine if a lien may be present. When available resources indicate the possibility of a recorded lien less than 10 years old, issue the TxDMV rejection letter that includes a statement that the bonding company is responsible for ensuring that a release of lien(s) or certification that any lien(s) have been satisfied is attached to the bond.

When accepting a VTR-130-SOF for the issuance of a bonded title rejection letter and no lien(s) are indicated, or the lien(s) are over 10 years old, and all other eligibility requirements as listed on the Form VTR-130-SOF are met, the standard TxDMV rejection letter will continue to be issued.

COUNTY ACTION

When processing a bonded title application for a vehicle that has a lien less than 10 years old indicated on the record, the County Tax Assessor-Collector offices must require that a release of lien or certification by a bonding company that any lien(s) have been satisfied is attached to a valid bond. To certify that a lien(s) has been satisfied, a bonding company must complete the certification at the bottom of page 2 of the TxDMV rejection letter.

When no liens exist, or if the recorded lien(s) are 10 or more years old, and all other eligibility requirements as listed on the Form VTR-130-SOF are met, and the applicant has presented a valid bond, the County Tax Assessor-Collector offices will process the title application.

CONTACT

If you have any questions, please contact your local TxDMV Regional Service Center.

Sincerely,

A handwritten signature in blue ink that reads "Randy Elliston". The signature is written in a cursive style.

Randy Elliston, Director
Vehicle Titles and Registration Division

Attachments