

QUESTIONS – 2014 Fall Title & Registration Seminars

1. What is the best protocol for transmittals – send to Branch or Glen Burnie? (missing doc requests regarding title work already sent, why is it so frequent, any plans to correct ways to protect dealership if docs are lost)?

The best protocol for transmittals is to send them to your local branch office. Dealers should keep the stamped, goldenrod copy of the transmittal and copies of all paperwork submitted. Please remember, you are required by law to retain copies for 3 years. There is a place on the transmittal to provide an email address or phone number so the branch office can contact you when the work is completed.

2. We are having problems with lease titling – we are not able to use the same soundex number more than once for Chrysler Capital leases – it keeps coming up with “county not found” and will not let us process the work. I was told we could use an out of state address for the lease company as long as the lessee’s address was in Maryland. How do we solve this? Also, when we do lease titles thru CVR, the C/O doesn’t show on the registration card.

CVR has made the correction and the c/o should print on the registration card.

Update: All vendors were contacted in regards to the county code and requested to allow the reuse of the soundex.

3. When can you give trade credit for a vehicle going from a company to an individual? We have been told that a sole proprietorship is ok but what about a LLC that only shows one member – does that qualify for a trade credit? Is there any time that a vehicle titled in a company name that show “INC.” would qualify?

The trade in regulation 11.15.33.07 states “the trade in allowance may apply if the “owner or co-owner” of the trade-in vehicle is the “owner or co-owner” of the vehicle being purchased”.

In a sole proprietorship, the business and the sole owner are considered to be legally one and the same. However, in the case of a business entity that is an LLC and its member(s) are considered to be separate entities (legal beings). A corporation and its stockholders and officers are also separate entities.

Therefore you are correct in deducting the trade in allowance for a vehicle titled to a sole proprietorship, traded in on a vehicle purchased in the individual name of the sole proprietor (or vice versa), because they are considered legally one and the same.

However, you cannot give a trade in allowance for a vehicle titled to a corporation or LLC traded-in for the purchase of a vehicle titled to an individual (or vice versa), since the corporation and individual are separate legal entities (not one and the same).

4. Release date for Electronic Lien Release – Transfer tag process

The release date is currently scheduled for November 19, 2014.

5. Are the lease vehicles being titled correctly now? Has the issue for soundex numbers been corrected? Is it now only on the soundex number what we are suppose to use?

All vendors have made the corrections to their software and we have not had any recent issues, other than what was stated above in question 2. You should now be able to use the same soundex number. Any issues need to be reported to your vendor.

6. Corrections with leased vehicles. Why is it that Finance can issue tag or transfer of tags but, when it gets to the title clerk, there are stops-that may say unable to close...why is this not done when being issued?

Any flags on a transaction that would stop a transaction from being finalized should also stop a transaction from being pending. If there are no stops on the transaction when pending, the transaction should complete. This is an issue your vendor needs to correct.

7. Can you please address at the MVA seminar next week, the tag return issue. MVA is voiding out customer's tags when they are being transferred. I have had 3 calls now from police and customer's regarding their vehicle not being registered when finance is transferring tags and they are doing the new process of tag return to 0 to alert the MVA, so the customer will not get a violation flagged on their trade.

When the tag return code 25 is used the system creates a tag transfer record. We do not remove the tag from our database. The newly purchased vehicle would not show on our database until the transactions is finalized unless a temp tag is issued. Notification is being sent to law enforcement regarding these transactions.

Update: Discontinue the use of return code 25. We are now receiving a file of all trade in vehicles. We have requested the vendors to disable the 25 tag return code.

8. When the credit is given for an electric vehicle is the credit based upon the amount of excise tax paid?

No, the credit is the product of \$125 times the kilowatt-hours of battery capacity of the vehicle not to exceed \$3,000.

9. How to handle voided inventory?

All voided inventory must be returned to the MVA warehouse. Copies of all voided transactions must be retained for your record.

10. When cancelling a deal where do you send the paperwork?

If requesting a refund, all documents issued must be returned to the Refund Unit along with the request. A copy of title showing assignment back to the dealership is required along with a letter from the purchaser and dealership explaining the cancellation. The letters also should indicate (year, make, model, vin) who (dealer or owner) is to receive the excise tax refund/credit. If a replacement vehicle is **not** purchased, the registration plates, stickers and registration card must be returned for cancellation.

11. CVR will not allow us to reuse the same soundex number for multiple deals. Must issue a new soundex for each deal.

CVR requires the verification of the soundex number on the MVA system prior to allowing the use. If you process one transaction and allow the system to update the soundex number will be available for your remaining transactions.

12. We are receiving letters for missing paperwork which were included in the bundle reports and the letters are intimidating.

We are reviewing the workflow process. There are currently no backlogs in ERT document scanning. When information is emailed in to your representative the notification is noted in the system and no further information should be required. If you receive additional letters please contact your representative or Business Licensing Management.

13. If more than one trade, do we have to put both trade in vehicles on CVR screen?

Yes, you must list the vins of all vehicles traded. However, the trade-in allowance shall be limited to the vehicle with the highest trade-in value.

14. When there are two names on a title and one is deceased do you need Letter of Administration in addition to the death certificate?

Maryland is a right of survivorship state, a vehicle jointly owned can be retitled to surviving owner with a death certificate.

15. Refunds are not being issued to the Dealerships.

Refunds are issued to the owner of the vehicle unless the customer gives written permission for the dealership to receive the refund. The document must include year, make, model and vin of vehicle and clearly state who is to receive the refund.

16. Questions for the Electronic Inspection.

Please provide any questions regarding Electronic Inspection to Ethel of the New Car Dealer Association and the Administration will address all questions.

17. Concerns addressed

- Rejecting SIF's with stickers affixed
 - Branches have been asked to discontinue rejecting these transactions as long as the sticker does not obscure the information on the document.
- Deal is not being reviewed in its entirety. Causes transactions to be rejected multiple times.
 - It is not the intent of the Administration to not review a transaction in its entirety however it could happen. We have again asked that operators take their time and carefully review transactions before rejecting.