

Comprehensive Vehicle Branding and Total Loss Best Practice Guide

NSVRP Standards Document August 24, 2014

NSVRP standard for states to consider to improve the integrity and standardization of title branding and to better protect the public, with special emphasis on lessons learned from Hurricane Sandy, Colorado flooding and other investigations of title fraud, inaccurate title branding and other abuses

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The National Salvage Vehicle Reporting Program (NSVRP) is a leading not-for-profit law enforcement support organization dedicated to reducing auto theft, title fraud and abuse, and to helping control criminal activities related to the exportation of stolen and fraudulently obtained vehicles. NSVRP works closely with the U.S. Department of Justice (DOJ), the FBI, Customs and Border Protection and other federal, state and local agencies to help further these objectives. NSVRP is recognized by DOJ as an independent third party voluntary standards body for the National Motor Vehicle Title Information System (NMVTIS), which was created as a result of the Anti-Car Theft Acts of 1992 and 1996. NSVRP's board is comprised of representatives of local and national law enforcement organizations.

One of the key protections available to the public comes in the form of state mandated branding of titles as salvage when vehicles have been subject to accident or flood loss. The ideal form of branding to notify and protect the public is achieved in those states that require salvage branding for vehicles that have had a total-loss claim paid on the vehicle, and that require extensively damaged vehicles to be assigned a brand of 'non-repairable,' making them usable only for parts and scrap. The non-repairable brand protects the public from unsafe vehicles being put back on the road, as well as protecting the public from cars being bought for the paperwork to reuse to cover the identify of stolen vehicles under that Vehicle Identification Number (VIN).

In fulfilling its mission, NSVRP routinely monitors the sale of used and salvage vehicles, tracking vehicles that are inappropriately and sometimes illegally offered for sale with unbranded or 'clean' titles, vehicles whose titles are 'skipped' when owners take possession through purchase and fail to retitle the vehicles in their name, when sellers avoid required reporting, or when titles are cleared of their prior branded status by 'title washing' through forgery or abuse of state loopholes that often involve interstate transfers. In many cases, NSVRP is able to track these potentially unsafe and fraudulently or improperly branded total loss vehicles from sources such as insurers, rental car fleets and other parties through the salvage auctions and middlemen as they ultimately pass into the hands of unsuspecting consumers, or when their paperwork is used to 'clone' stolen vehicles.

In our monitoring of vehicles damaged in Hurricane Sandy and the late summer/early fall 2013 Colorado floods, among others, NSVRP has found that fraud is more likely to occur when total loss vehicles do not get classified as salvage by insurers and other sellers or are not appropriately branded, and are not properly and swiftly reported into the appropriate state and federal databases by those entities such as auto auctions and tow companies that are handling the vehicles prior to their being offered for resale.

Some unscrupulous buyers are taking advantage of an undocumented damage status to then offer these cars for resale to an unsuspecting public. In some cases this involves title skipping, where the seller – which is in many cases a major insurance company but also can include Internet focused 'junk-my-car' solicitation companies, tow-to-acquire companies, charity organizations and other companies that buy used and salvage vehicles for resale – engages in a practice of title skipping to hide its part in the chain of ownership of the total loss vehicle.

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In other cases, buyers are purchasing massively damaged vehicles specifically for their titles and sales paperwork which is then used to 'cover' the identity of stolen vehicles which are cloned, or assigned the identity of the previously acquired title paperwork. Another trend that appears to be increasing is large scale purchasing of under-branded and unbranded salvage cars for export as part of trade based money-laundering schemes.

In still other cases, it is some of the states themselves that are substantially responsible for the greatest deficiencies in the protections for their own citizens. Over the years, a number of states have instituted laws that strip the public of a significant portion of the protections that result from proper titling and branding. Some states have removed the non-repairable brand requirement, some allow branding to be based upon subjective, non-testable criteria, and some even allow the owner – which in most cases is the insurer that has obtained the vehicle in a total loss pay-off and is looking to recoup as much as it can in the resale – to make a subjective determination as to branding. Worse, in some states all vehicles older than a certain number of years old – typically 6 to 7 model years – are exempted from branding regardless of the level of damage. Since the average age of a car on the road today is more than 11 years old, as many as 75 percent of all total loss vehicles might be exempted from branding, meaning they could be resold in the salvage and used car marketplace with clean or under-branded titles and undisclosed damage. More than anything else it is these legislative deficiencies that are responsible for a large fraction of significantly damaged vehicles never receiving a salvage brand in the first place or avoiding a non-repairable brand even if the vehicle was massively damaged.

The title skipping, non-reporting of total loss events and under-branding of badly damaged vehicles often results in enhanced bidding on improperly branded cars, thus supporting subsequent resale fraud upon the public, creating a precondition that enables auto theft for cloning, or providing an environment that facilitates trade based money laundering by criminal groups as well as for funding terror organizations. Enhanced bidding leads to increased returns for the insurance companies or any other sellers and the salvage pools that sell these cars for themselves or on the behalf of others.

Some states are beginning to understand and address the consumer impact of these dangerous loopholes and exemptions. In the 2014 legislative session, Colorado's governor signed into law a bill to repeal that state's exemption on branding of vehicles six years and older after seeing severely flood-damaged yet clean-titled vehicles reentering the salvage vehicle marketplace in the wake of Colorado's late summer floods. This was a powerful acknowledgement of the fallacy of creating artificial exemptions on vehicle branding. In some states, legislators continue to bend to lobbying efforts to introduce and pass dangerous exemptions in titling and branding laws and NSVRP is aware of 13 other states that still have branding exemptions for older or lower value vehicles, which endangers the safety and finances not only of their own citizens, but also citizens of other states – even states with strong branding and titling protections – where badly damaged but clean-titled vehicles might be transported for sale.

While statutory and regulatory language can go far in preventing dangerous and fraudulent behavior, NSVRP's monitoring also shows that transparency in transfers is essential for identifying when statutes and regulations are not being followed. States must clearly and broadly define when title branding must take place because reporting 'upon transfer' provides state officials with their best opportunity for identifying violations in branding, while allowing multiple title transfers without reporting required creates opportunities for fraud. In addition to protecting the public, minimizing transfer avoidance helps states to staunch substantial losses of potentially millions of dollars per year in intermediate transfer fees and sales tax. This practice will be much easier to implement and enforce with universal use of electronic titling.

Finally, despite states' best efforts in drafting and enforcing statutes, certain parties will look to find loopholes to avoid regulation and oversight. NSVRP's research has provided some insight into this area. We have identified many entities throughout the U.S., primarily including salvage auctions, towing companies and charity organizations, that advertise to purchase or otherwise remove from consumers their used, uninsured junk vehicles and even promote

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insured owners who have had a total-loss event to retain the insurance total loss vehicles and sell them to these entities. Once acquired from the original owners by these entities, many vehicles are then sold through or resold by the auctions with clean or under-branded titles that may not show required transfers (title-skipped) and often may involve branding avoidance and other issues by the time they reach the auctions. Because these entities are not regulated as dealers, they appear to be able to more easily operate outside of the law when it comes to meeting the requirements of proper branding and titling or for the collecting of proper fees and taxes.

A similar issue occurs with buyer brokers. Auction companies have advertised these buyer brokers as a way to bypass state requirements for buyers at salvage auto auctions, and only a small percentage of these buyer-brokers appear to fulfill their NMVTIS reporting requirements. Furthermore, these so-called brokers, who purchase vehicles with their own funds, resell the vehicles to members of the public with a commission or with an intent to make a profit and typically avoid any place in the title chain, thereby avoiding potential fees and sales tax in addition to avoiding odometer statements and application for branded titles that would typically take place upon transfer. To close this loophole, NSVRP recommends that states include clear definitions of the terms agent/broker/dealer and that all of these entities, as well as any entities required to report to NMVTIS, should be required to be included in any title chain of history and should be considered dealers for purposes of state law.

NSVRP has created this Comprehensive Branding and Total Loss Best Practice Guide to provide recommendations that states should consider to improve the integrity and standardization of branding, titling and final dispensation of total loss and flood-damaged vehicles to better protect the public. For each area of best practice, NSVRP has identified a state that most closely meets a best practice standard or provided model language to meet that best practice. The result is statutory and regulatory language that could serve as a model recommendation for all states. We have also provided recent, real-life examples of unbranded and under-branded cars that may soon or have already re-entered the consumer marketplace or the black market due to improper actions by insurers, towing companies, charity programs and/or salvage auto auctions, such as title skipping, improper branding, salvage title avoidance and others, that then enable buyers at auction to engage in subsequent frauds upon the public, or due to state laws that actually sanction the sort of behavior that sets the stage for severely damaged vehicles to be sold to unsuspecting consumers or to be used in enriching criminal enterprises.

More information may be found at www.NSVRP.org. If you have any questions or require further information, I can be reached at Administrator@NSVRP.org.

Sincerely,

Howard Nusbaum
Administrator
National Salvage Vehicle Reporting Program

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NSVRP Comprehensive Vehicle Branding and Total Loss Best Practice Guide
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NSVRP Comprehensive Vehicle Branding and Total Loss Best Practice Guide

Protecting the public through the proper application of title branding can be seen as a two-step process. The first step is to ensure that all damaged vehicles get a proper brand. The second step is to minimize ways in which this branding can be removed, or ‘washed.’

The following are NSVRP-recommended best practices guidelines, which are in our opinion fully consistent with the American Association of Motor Vehicle Administrators (AAMVA) best practice standards on salvage, rebuilt and reconstructed vehicles, to help ensure that damaged and total-loss vehicles are properly branded and to help close loopholes that are often used to bypass the initial branding of damaged vehicles and to reduce title washing of vehicles with branded titles.

1. There should be title-branding classifications for both salvage (repairable) and non-repairable titles and the triggers for each classification must be reasonable and well-defined.

One of the key protections available to the public comes in the form of state mandated branding of titles as salvage when vehicles have been subject to accident or flood loss. The ideal form of branding to notify and protect the public is achieved in those states that require salvage branding for vehicles that have had a total loss claim paid on the vehicle, and that require extensively damaged vehicles to be assigned a brand of non-repairable, making them usable only for parts and scrap and protecting the public from unsafe vehicles being put back on the road or being purchased for their paperwork to cover the identity of stolen vehicles. When cars are inaccurately unbranded or under-branded, the owners offering them for sale are likely to make more money on their sale because they are more desirable to intermediary purchasers who can superficially clean them up and offer them for resale without disclosure of prior damage, or criminals who can use the clean-title paperwork to cover stolen vehicles. The people hurt the most by significantly damaged yet under-branded vehicles are those who are less economically advantaged and least able to cope with the adversity of financial harm when unsafe and unrepairable vehicles are sold to them. In many states, however, there is no title branding option for designating a non-repairable vehicle. In other states, the definition is highly subjective and the threshold is not well defined, or the determination is left entirely to the owner.

NSVRP recommends at least three title branding classifications: clean; salvage (repairable); and non-repairable, also known in some states as parts only, junk or Certificate of Destruction vehicles; and that the trigger definition for when a vehicle meets the salvage (repairable) and non-repairable brand thresholds must be reasonably and unambiguously defined.

Vehicles that are damaged over 80% of their value are typically not safe to be repaired. If a vehicle is damaged in such a way that it makes sense to be repaired for an insured, and the repair is actually made for that insured, then such a vehicle does not have its ownership transferred and it need not get a salvage or non-repairable brand. When a wrecked or flooded vehicle is deemed a total loss by an insurance company, that insurance company has determined that the vehicle is not worth the cost that it would take to repair that vehicle and it must receive a branded title. If the damage is less than 80% of the actual cash value (ACV) of the vehicle, it may receive a repairable salvage title. If the damage exceeds more than 80% ACV, the vehicle must be taken off of the road.

While not all states may choose an 80% non-repairable threshold, NSVRP strongly advises against setting an extremely high (greater than 100%) threshold for a “parts only” or non-repairable brand. Parts only branding prevents badly damaged vehicles from returning to our roads and highways, protecting consumers by ensuring that heavily damaged total loss vehicles are designated as non-repairable. Setting a high threshold for a non-repairable

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brand means that cars that are terribly damaged and should be destined for the scrap heap are sold with titles that allow for rebuilding of the vehicle or reuse of the paperwork as rebuildable VINs, opening the door to numerous types of fraud and abuse.

Cars that are not safe to drive, or that are likely to do little but cause problems for consumers down the road, should be removed from future commerce by receiving a non-repairable brand.

For Examples of Inaccurately Unbranded or Under-branded Vehicles Due to Lack of Non-Repairable Brand or Poorly Defined Thresholds, [CLICK HERE](#)

For Model State Language for Branding Classifications, [CLICK HERE](#)

2. Vehicles involved in a total loss event must be branded as salvage (repairable) or non-repairable, with very few exceptions.

When an insurance company declares a vehicle as a total loss, it is because the insurer has determined that it is not economical to repair that car and it typically signals significant damage. If a vehicle has a brand, then the consumer is warned that the vehicle may no longer be safe or roadworthy. Requiring all total loss vehicles to be branded as salvage (repairable) or non-repairable – depending upon the level of damage – will avoid the temptation to understate damage in order to retain clean titles and maximize resale profits for the benefit of the insurer and auction and to the detriment of public safety.

For Examples of Insurance Total Loss Vehicles with Unbranded Titles, [CLICK HERE](#)

For Model State Language for Requiring Total Loss Vehicles to be Branded as Salvage (Repairable) or Non-Repairable, [CLICK HERE](#)

3. Exemptions to branding should be minimal and unintended loopholes should be tightly policed and eliminated.

NSVRP's recommended definitions for the major branding classifications to best avoid consumer fraud and to avoid providing paperwork to then cover subsequent criminal behavior are:

Clean title. Extent of damage makes economic sense to repair to original condition, no branding.

Salvage/repairable. Any automobile with up to 80% damage to ACV may be considered repairable. A vehicle declared a total loss by an insurance company must be considered a salvage or non-repairable vehicle, depending upon the percentage of damage to ACV.

Non-repairable/parts only/junk/Certificate of Destruction. When an automobile is damaged to

Examples of Dangerous Loopholes and Exemptions

- 1) Exemption from any branding on vehicles older than a given cut-off year or under a certain dollar amount
- 2) Exemption from any branding if the insurer determines that the vehicle damage is below a certain (high) fixed dollar amount
- 3) Exemption from including classes of parts (such as airbags), or classes of repair work (such as painting) in calculating the cost of repairs
- 4) Linking the calculation of non-repairable salvage to the economic return from the sale of the salvage
- 5) Allowing 'sight totals' to be classified as anything but a non-repairable vehicle
- 6) Giving insurers and other owners the latitude to declare unwarranted self-exemptions when making branding determinations

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over 80% of ACV, it should be considered non-repairable. If a vehicle is deemed a total loss but no damage estimate is designated, that vehicle should be considered non-repairable.

Exemptions to these branding classifications should be minimal and loopholes should be nonexistent to the greatest extent possible. Some states may choose to exempt non-damaged recovered thefts from the salvage branding definition without impacting the integrity of the branding process. However, that integrity is lost when a state chooses to exempt vehicles over a certain age – typically 6 to 9 years – from branding, regardless of condition. The average age of a vehicle on the road today is more than 11 years, meaning that a majority of vehicles in a state with these sorts of exemptions are excluded from any branding requirements. Generating countless exempt clean title total loss vehicles simply creates an environment that supports additional consumer harm when these total loss vehicles are later resold under clean titles, or are purchased for the paperwork which is then used to cover theft and/or VIN clones.

States should avoid any definition of repairable or non-repairable salvage that ties the calculation to the economic return from the sale of the salvage. Since at the time of assigning the vehicle a title brand the unit has not yet been sold, the value at auction is going to be affected by the title brand assigned. This makes the definition both circular and also provides a moral hazard to under-brand the vehicle in order to get the best net return for the insurer. A definition based upon the net cost of repair to the payout of the ACV (less deductible) and less salvage return

Is this Clean Title Wreck a Branding Violation?



000-11754832 08/09/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Branding Violation? NO Potential Hazard? YES

This 2004 Subaru Impreza was offered for sale at a Denver salvage auction with a clear, unbranded title in November 2013. As a result of Colorado’s exclusion on branding for vehicles 6 years or older, which was removed in the 2014 legislative session, the insurance company was not required to surrender the title and request junk/parts only/non-repairable status and they did not see fit to do so voluntarily. This scenario creates the hazard that a purchaser at auction could subsequently use the paperwork to cover a theft and clone using counterfeit tags on the stolen car to match this VIN.

estimate does not base the requirement of the salvage branding upon the level of damage. Instead it turns the calculation into one of relative probability to the insurer as to which is the better net return for the insurer – fixing or totaling the vehicle and reselling the salvage. It also supports the interest for the insurer or owner to under disclose damage and to find ways to under-brand a title for economic benefit.

An important note on definitions: NSVRP has observed that many states have harmful exclusions carved out in what otherwise seem to be reasonable statutes through abuses in the basic definitions of the statutes. For example, some states include a late model or high value designation in their definitions of salvage vehicles, sometimes removing the branding requirement for vehicles on five model years of age and older. In other cases, states allow for exclusions when calculating damage such as exclusion of airbags, providing opportunities for branding avoidance. For purposes of this document, the definition of a motor vehicle should mean any vehicle, regardless of age or value and, whenever possible, exclusions should be avoided.

For Examples of Inaccurately Unbranded or Under-branded Vehicles Due to Exemptions and Loopholes, [CLICK HERE](#)

For Model State Language for Branding Classifications, without loopholes or exemptions, [CLICK HERE](#)

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4. States should ensure that insurers and other owners are not given the latitude to declare unwarranted self-exemptions when making branding determinations.

Insurance companies, rental car companies and other self-insured fleets and other sellers have an economic incentive not to brand total loss vehicles as salvage vehicles and not to brand non-repairable vehicles as non-repairable. According to testimony in the Florida Senate Transportation Committee by Copart, one of the two largest salvage pool auction operations in the United States, cars that are sold with non-repairable titles sell for an average of \$1,200, while vehicles sold at auction as repairable typically sell for \$1,500 to \$2,000 **more** per vehicle. The thrust of this testimony seems to imply that salvage owners such as insurance companies and the auction companies that sell those vehicles on their behalf believe they have a strong economic incentive to be able to sell more cars with repairable titles and it has been NSVRP’s observation from the field that the enhanced bidding can result from situations where the clean title paperwork adds to the value independent of the actual condition of the vehicle.

Many states leave the branding determination in the hands of insurers or other owners by providing subjective definitions of non-repairable such as, “incapable of safe operation on the road and that has no resale value except as scrap or as a source of parts,” or a similar subjective definition. Other states provide no threshold for salvage or non-repairable, allowing the determination to be made only at the request – and therefore at the sole determination – of the owner. Other states provide a threshold for salvage and/or non-repairable brands but then seem to leave the determination up to the insurer or other owner by including language such as, “as determined by the person who owns the vehicle at the time of the occurrence or by the insurer or other person acting on behalf of the owner.”

Another loophole that can lead to branding avoidance comes from what are known as ‘sight totals.’ In these cases, no estimate has been written at all, and the vehicle is deemed a total loss without any damage estimate having been designated. This occurs in many cases with heavily damaged vehicles. The failure to perform a complete estimate – or any estimate – should require that the vehicle be given the most severe level of branding as a non-repairable vehicle. Any branding below non-repairable when the insurer or other party has failed to write a complete estimate should be understood for what it often is – mainly a fraudulent effort to under report damage as a method of under branding the vehicle for the benefit of the insurer or other owner and at the expense of a subsequent retail buyer.

States should aim to remove all opportunities for subjectivity in the determination of branding classifications for repairable and non-repairable salvage vehicles. The best way to guard against this improper branding is to create well-defined branding classifications based upon the actual condition of the vehicle expressed in damage as a

Failure to Complete Repair Estimates Should Not Provide Opportunities for Branding Avoidance



This 2008 Chrysler Pacifica is not excluded from branding by Virginia’s exemption of ‘late model vehicles’ manufactured in the year of the incident (2013) or five preceding model years. While this vehicle appears to exceed Virginia’s 90% threshold for non-repairable branding, there is no estimated repair cost indicated and it appears to have been offered for sale with a clean Virginia title. A vehicle with this VIN appears to have been issued a clean Virginia title in 2014.

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percentage of actual cash value and to require oversight of the estimate submissions by the appropriate state agency.

For Vehicle Examples Illustrating the Need for Regulatory Oversight for Purposes of Branding Decisions, [CLICK HERE](#)

For Model State Language for Branding Classifications requiring estimates to be submitted to the overseeing agency for review, [CLICK HERE](#)

5. States should include a flood title brand designation and flood vehicles – especially those damaged by salt water – should be considered non-repairable.

Hurricane Sandy Flood Vehicle Retains Clean Title



This Hurricane Sandy insurance total loss vehicle was registered in NY, where the loss took place. The vehicle was moved to a second state (NJ) where it was auctioned off under the original insured clean-title paperwork, apparently without reporting to the state that the total-loss ownership transfer had taken place. The auction listing noted the flood condition. Once resold, however, there would apparently be no official title or branding information on file with any jurisdiction as to title branding or prior intermediate ownership by an insurer for the flood loss. Once the auction listing is no longer available to the public (typically end of business day of the auction), there would be only a very limited access for the public to research the true flood history of this vehicle.

Flood vehicles represent a special risk to consumers. These vehicles tend to be subject to progressive corrosion, electrical failure, unhealthy mold, and other problems, but they do not show any obvious indications of being damaged when they are superficially cleaned up. Furthermore, only highly sophisticated mechanical repairers and franchise dealer service departments have access to the required diagnostic equipment and the mechanical and technical ability needed to dismantle electrical, computerized and mechanical components to make a determination of the extent to which water has damaged a vehicle. In cases where components have failed, the testing process also requires access to an inventory of replacement components to swap out to confirm multiple component system failures. Even then repair estimates are uncertain until the repairs are practically complete; neither insurance claim representatives nor vehicle repairers have the diagnostic equipment or ability required to make a determination in the case of known flood-damaged cars as to whether electrical problems do or do not exist and whether any components damaged by water may have been repaired or replaced in such a way as to not cause further issues to subsequent owners.

Flood cars often show no signs of the insidious and progressive nature of water/flood damage until electrical systems or transmissions fail, or anti-lock brakes or airbag systems malfunction. In its recent warning to the public regarding the safety hazards of flood-damaged vehicles

(https://www.bja.gov/Programs/FloodDamagedVehicles_NMVTIS.pdf), DOJ warned that, “severe water damage can make vehicles’ electrical systems, including their airbag sensors, prone to failure. When a car’s electrical systems have been compromised, it may no longer be safe or roadworthy.” The DOJ’s advice is compounded by NSVRP’s findings that flood damaged vehicles cannot be reliably estimated for the cost of damage repair by insurers and body repair shops prior to the work being substantially complete. As discussed in NSVRP’s Advisory on Flood Damaged

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Vehicles

(http://nsvrp.org/uploads/Combined_advisory_on_the_estimation_and_repair_of_flood_and_water_damaged_vehicle_s.pdf), the visible damage once the vehicle has been superficially washed often does not show any physically deformed components and electrical failures and water damaged mechanical components cannot be identified without dismantling the vehicle for detailed inspection.

Without a flood or water damage designation, these vehicles can be assigned clean or salvage (repairable) brand titles by owners and insurers in order to get higher returns. These units are often washed and prepped by the salvage auctions to look clean and attractive to a buyer. While the buyer at auction may be aware that the vehicle is a flood vehicle, the subsequent buyer may not, either as a result of the clean title or non-flood salvage brand.

Flood cars pose even more of a threat when they are viewed in online photographs and offered for sale over the Internet with undisclosed damage history, leaving the buyer with little recourse to address the fraud, and likely no true information on the seller. As has recently happened in NJ following Hurricane Sandy, some of these purchasers could end up being individuals who suffered losses from the original disaster only to be victimized when they go to purchase a replacement automobile.

Best practices for flood damaged branding should include the following:

- The salt water flood definition should include water damage over the door sill and into the passenger compartment
- The fresh water flood definition should include water coming into contact with the electrical system
- All flood-damaged vehicles which meet the proposed salt and fresh water definitions should be considered non-repairable but able to be sold for scrap
- If the state chooses not to consider all flood-damaged vehicles on which water reaches the passenger compartment as non-repairable, the flood brand should carry forward

For Examples of Inaccurately Branded Flood Damaged Vehicles, [CLICK HERE](#)

For Model State Language for Including a Flood Title Brand Designation and Designating Salt Water Flooded Vehicles as Non-Repairable, [CLICK HERE](#)

6. Bio/Chemical-hazard vehicles should be considered non-repairable unless specifically addressed under the state's inspection and re-registration process.

While some states define certain types of bio-hazardous vehicles and address branding and remediation in their statutes, many do not. However, many vehicles are identified in salvage auto auction listings as biohazards or are deemed bio-hazardous by federal or state environmental protection or health agencies for a variety of reasons ranging from potential bacteria growth due to water damage, contamination by biological substances following severe accidents, or exposure to chemicals, sewage or fuel or other chemical-contaminated sludge. The assignment of a bio/chemical or hazmat branding could be initiated by another agency in many circumstances. When there is no appropriate state brand or brand carry forward requirement, there is no way for subsequent purchasers to be aware of the exposure, with the exception of disclosure by the seller. State vehicle title branding should be aware of such branding situations, and be able to apply that branding to the vehicle record as a brand in order to maintain protection of the driving public.

NSVRP recommends that bio-hazard vehicles should be considered non-repairable unless those vehicles are specifically addressed under state retitling statutes to ensure appropriate notification of exposure and proper

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remediation.

For Model State “Methamphetamine Vehicle” Language, [CLICK HERE](#)

7. States should designate clear titling administrative and oversight authority to cover all regulated entities.

To ensure that there is no gap in oversight or administration of title and branding regulations, states should proscribe titling and oversight authority to a single state entity to administer and enforce all regulations related to entities required to report to NMVTIS, including insurers, self-insured fleet operators, salvage pools, dealers, recyclers, towing companies, charity auctions, buyer brokers and any other entities that may take possession of a salvage vehicle. There should be no exceptions.

Furthermore, there are some situations in which state agencies may not be seen as having the authority to make and implement recommended best practices. Universal administrative language may help address this situation.

For Model State Language Designating Clear Titling Administrative and Oversight Authority to Cover All Regulated Entities, [CLICK HERE](#)

For Model State Universal Administrative Language that may Provide States with Authority to Implement Best Practices, [CLICK HERE](#)

8. To avoid title washing, or the appearance of a washed title, states should include a brand carry-forward provision in their rules.

Most title washing occurs when a vehicle’s history is hidden when it is resold with an unbranded title in a different state than the one in which the damage occurred. The inconsistencies in title branding regulations by states mean that the same age vehicle under identical accident conditions can be subject to branding as repairable salvage in one state, as non-repairable salvage in a second state, and be exempt from any branding at all in a third state. Without a brand carry-forward provision, non-repairable titles can easily be washed through states without non-repairable designations and sold in the second state, or in a third state, to consumers who have no way of knowing the extent of prior damage. If a damaged and unbranded vehicle is offered for sale by an auction in a state that exempts that vehicle from branding, or if such a vehicle is transferred to auction in another state, it can be offered for sale without a branded title. NSVRP can provide extensive documentation of vehicles which have branded titles based on salvage branding rules in one state that have been flipped through a transfer to another state to wash the brand, and then resold in subsequent transactions under clean titles. Experian conducted a thorough study in 2008 in which they identified in a six-month period 185,000 vehicles whose titles had been washed through such transfers between states, translating to roughly 370,000 branded and washed titles in a single year. Uninformed consumers purchasing these types of vehicles will have no recourse when the damage is uncovered.

For Model State Language for Brand Carry-Forward, [CLICK HERE](#)



9. States should require in-state title paperwork before allowing the sale of vehicles by salvage auctions.

The resale of out-of-state titled cars at salvage auctions has been prohibited by some states because it enables parties to circumvent mandatory branding under rules in the title state and the state in which it is being sold, allowing vehicles to be offered for sale under previous clean or under-branded titles without regulation. As an example, a considerable number of New York Hurricane Sandy flood vehicles were brought directly to New Jersey salvage auctions, thereby bypassing mandatory assignment of NY MV907-A salvage certificates as required by NY state law. They were offered for sale in NJ under the prior (pre-flood) NY clean titles. As NJ was not the state of title, authorities were unaware that this title branding avoidance was taking place.

NSVRP recommends that vehicle sales transactions require in-state titles for resale in that state by any entity. If an owner wishes to resell a vehicle with an out-of-state title, the owner should first have to transfer the title from out-of-state to an in-state title, in the owner's name, before being able to resell the vehicle in that state, and all brands from other states should carry forward.

For Examples of Why Out-of-State Vehicles Should Not be Allowed for Resale in Another State's Salvage Auction, [CLICK HERE](#)

For Model State Language for Requiring In-State Title Paperwork Before Allowing the Sale of Vehicles by Salvage Auctions, [CLICK HERE](#)

10. NMVTIS reporting violations should also be a violation of state law and states should require reporting on an accelerated timeframe.

NMVTIS acts as an information directory of current title and registration for states and provides the only mechanism for states to communicate current titling and branding to avoid registration in multiple states, title washing and other titling and branding offenses.

Federal law requires NMVTIS reporting entities (including insurance companies, fleet operators such as rental car companies, salvage auto auctions, tow operators and others) to report within 30 days of acquiring or handling a salvage vehicle. However, NSVRP's monitoring reveals that many cases of abuse are able to occur when there is a significant lag time between a total loss event and surrender of the title to the state.

[A recent DOJ opinion confirms state authority to enact legislation that may be the same as or more stringent than federal NMVTIS reporting requirements](#), providing justification for taking steps to make NMVTIS violations a violation of state law as well, and to require NMVTIS reporting on an accelerated timeframe.

NSVRP proposes that a 24- or 48-hour reporting requirement would be in the best interest of the public, thus making branding information available in near real-time. This accelerated timeline would not impose a significant burden on reporting entities as the large-scale buyers have efficient systems in place and there are mechanisms for small-volume reporting entities to report online directly to AAMVA at no cost. Furthermore, NSVRP recommends that towing companies obtaining Certificates of Destruction or junking certificates should be mandated by enforcement authorities to show proof that all such vehicles have been reported into NMVTIS.

NMVTIS violations are punishable by up to \$1,000 per incident. Therefore, state enforcement of NMVTIS can allow

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states to improve law enforcement and better protect consumers, while also providing a new revenue opportunity for the state's law enforcement agencies.

For Examples of Non-reporting and Reporting Delays Providing Opportunities for Abuse, [CLICK HERE](#)

For Model State Language Making NMVTIS Reporting a State Requirement, [CLICK HERE](#)

11. States must clearly and broadly define when title transfer occurs and title branding is therefore required and violations of the Federal Odometer Act should also be considered violations of state law.

The Federal Odometer Act includes language that designates when an odometer declaration must be executed. The basic language is 'upon transfer.' There is a similar concept regarding language under which many states identify when a title transfer should take place – as well as when a determination of any required title branding must occur. NSVRP has noted many situations in which parties have attempted to exempt themselves from both title transfer reporting and/or odometer reporting through taking efforts to make it appear as though a transfer has not yet taken place even though a total-loss event has occurred, a claims payoff has taken place and the vehicle is now under the control of the next party. Furthermore, this situation, which should be clear when an insurer has paid off a claim, is less clear when a self-insured total-loss has taken place, or when there is a salvage auction and brokering or quasi-agent transfers are involved. NSVRP has identified numerous examples of fraudulent avoidance of title transfers, failures to evaluate for branding, or the masking of a dealer transaction, as it is a true agent for another party. All of these result in the failure to protect the public, as well as the loss of taxes and fees for multiple jurisdictions.

[NHTSA sent a warning letter to insurance companies](#) regarding reports of certain insurance companies engaging in transactions that violated federal odometer disclosure law with respect to vehicles damaged in Hurricane Sandy.

Best practice should define that title reporting must occur at the earliest time when a transfer has effectively taken place. For example, if the prior owner was paid off without recourse, physical control for purposes of disposal or resale transferred to another party, and proceeds from the disposal of such property goes to a different party than the original title holder, then a transfer has taken place and claiming that an agent agreement is in force should be considered a fraudulent attempt to bypass title transfer recording and branding obligations, fee avoidance and/or efforts to avoid odometer disclosure. In the case of owner-retained or self-insured fleet vehicles, upon a major accident, flood or other such event, there should also be the clear legal obligation to brand the title before any resale or transfer has taken place.

Additionally, states should consider requiring that odometer declarations also be provided for vehicles 10 model years of age and older. The Federal Odometer Act originally required reporting on vehicles 0-24 model years at the time of transfer. This was later reduced through a rulemaking process to 0-9 years. Since cars today average over 11 years old, the majority of vehicles on the road are no longer covered by the odometer disclosure requirements. This has eliminated one of the most important protections for consumers and a key protection against other fraudulent or criminal practices.

For examples of Title Skipping, [CLICK HERE](#)

For Model State Language for Odometer Requirements, [CLICK HERE](#)

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12. Multiple title transfers between resellers on a single title document should be severely restricted. Once a state implements electronic title transfers, all multiple transfers on a single title document should be prohibited.

Some states allow parties to engage in multiple sequential sales transactions and title transfers on a single title document without having to first record each transfer with the jurisdiction and get a newly issued title document. NSVRP’s monitoring shows that this practice can create many situations where badly damaged or total-loss vehicles are resold under their original clean title paperwork without triggering a title branding evaluation. In some cases odometer declarations are also not being recorded at the time of transfer as required under federal law. Subsequent to the initial transfer and sale, the secondary reporting of the title by the new buyer without any intermediate transfer data having been recorded on the title document helps to hide the intermediary transaction.

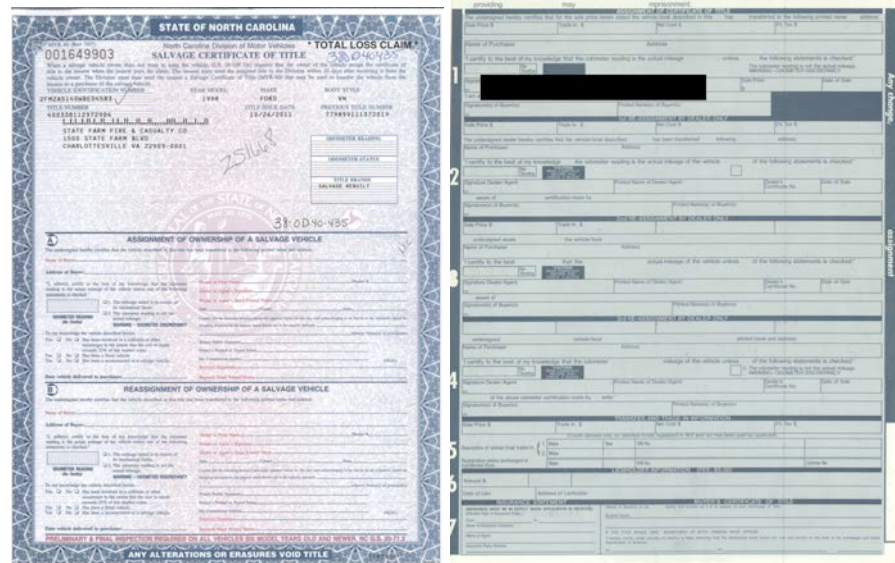
In the case of a total-loss event, all parties involved in the transaction benefit financially from eliminating the intermediary transfer,

especially in the cases where an insurer, salvage auction and vehicle repairer are the parties to the transaction. This creates a moral hazard that apparently can be difficult to resist. Subsequent to the purchase and repair of the vehicle, the vehicle will then only have documentation in the title chain of a single transfer of an undamaged clean title vehicle from a private owner (the insured) to the used car dealer (the repairer who bought the vehicle at auction). By failing to record the intermediate transaction on the back of the title, the intermediate party can hide the total-loss event, and by using an auction as an agent for the sale the auction

also avoids placing itself in the title chain. Additionally, there may often be other intermediate parties who claim to function as brokers yet buy the vehicles with their own money and who are named as the direct buyer in the auction business records and have financial liability for the purchase at auction, and who are treated by the auctions in the title paperwork as ‘brokers,’ thereby excluding them from the title chain, and any transfer fees. These parties may actually be dealers under the law and might be failing to comply with state and federal reporting requirements.

Therefore, NSVRP recommends that multiple title transfers between resellers on a single title document should be severely restricted. Once a state implements electronic title transfers, all multiple transfers on a single title document should be prohibited. Since there is no other title paperwork besides the e-title, and reporting is required at the time of transfer, there is no opportunity for offline paperwork that could be deferred and provide opportunities for abuse.

Multiple Title Transfers (Should Not Be) Allowed



When states allow multiple transfers between resellers on a single title document, as exemplified in the above NC salvage and WV non-salvage certificates, badly damaged or total-loss vehicles may be resold under their original clean title paperwork without triggering a branding evaluation.

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For Model State Language Requiring Single Title Transfers, [CLICK HERE](#)

13. States should prohibit the sale of vehicles on bills of sale and require all sales of vehicles to be accompanied by a state-issued document such as a certificate of title, a salvage certificate of title or a certificate of destruction.

Many states prohibit the use of bills of sale as ownership documents for any vehicles. NSVRP's research has identified examples of non-repairable or junk vehicles being sold under a bill of sale before the titles are surrendered, despite the requirement that the title be surrendered to the state before the non-repairable unit is offered for sale for parts only. In those cases, since bills of sale are not state-issued documents, an unscrupulous buyer can use the bill of sale to obtain a duplicate title, which in most cases will be a clean title from the previous owner until the paperwork is submitted to cancel the vehicle title and record it as junk, or a stolen replacement vehicle can be exported using the bill of sale.

NSVRP has observed many situations where vehicles were resold under bill of sale by insurers and others, and failed to include themselves properly in the chain of title ownership. In one well-documented situation, ABC News followed the fraudulent sale of a single Hurricane Sandy flood loss vehicle for which an insurer paid off a claim and then resold the vehicle under a bill of sale. The vehicle later turned up as a clean title vehicle for sale on a used car lot – one of many similar improperly unbranded vehicles that ABC identified in its seven-month investigation.



This truck was featured in the ABC News story investigating the fraudulent sale of a Hurricane Sandy flood loss vehicle.

States should generally require the issuing of titles for all vehicles eligible for registration in their state, and should be discouraged from issuing or accepting other documentation in lieu of titles.

For Examples of Why Use of a Bill of Sale is Not a Good Practice, [CLICK HERE](#)

For Model State Language Prohibiting Bill of Sale Transfers, [CLICK HERE](#)

14. States should require a safety and theft inspection of all salvage (repairable) vehicles that are being proposed for re-titling and registration for road use. Once rebuilt and inspected, such vehicles should be treated as fully roadworthy and repairable, but should retain their rebuilt vehicle status.

Best practice should require a safety re-inspection of all salvage vehicles before being retitled as roadworthy. These can be done under direct state inspection programs or state approved programs. They should include air bag certification validation and brake/steering/suspension/body integrity/electrical diagnostics testing.

For Model Language for Requiring Safety and Theft Inspections for Vehicles Repaired or Rebuilt for Highway Use, [CLICK HERE](#)

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15. States should include clear definitions of the terms agent/broker/dealer and all of these entities, as well as any entities required to report to NMVTIS, should be required to be included in any title chain of history and should be considered dealers for purposes of state law.

All entities which, for commission or with an intent to make a profit or gain of money or other thing of value, buys, sells, barter, exchanges, leases or rents with the option to purchase, or who offers or attempts to sell or negotiates the sale of motor vehicles whether or not they are owned by such person or entity, including towing companies, charity organizations, buyer brokers and others, should be required to be included in the vehicle's title chain of history and should be considered dealers for purposes of state law. Any transaction where an ownership transfer takes place, and where there is a transfer of funds between parties where seller holds the dealer/broker as a direct party to the transaction should be considered a transaction that requires that dealer or broker to be included in the chain of title. Failure for those parties to be reported in the chain of title should be deemed to be a violation of title transfer laws and may also be considered an avoidance of any relevant taxes and transfer fees.

Buyer brokers are advertised as a way to bypass state requirements for buyers at salvage auto auctions, and only a small percentage of these buyer-brokers appear to fulfill their NMVTIS reporting requirements. Non-reporting to NMVTIS should be deemed a violation of NMVTIS at the federal and state levels,

For Model Language for Considering Buyer Brokers, Towing Companies, Charity Organizations and other NMVTIS Reporting Entities as Dealers, [CLICK HERE](#)

16. States should close the gap on sales tax avoidance.

There is significant sales tax avoidance in the sale of salvage vehicles. [California AB 2618](#), a bill that requires salvage vehicle sales to be presumed as sales at retail (and not for resale) and allows the seller to rebut the presumption by accepting a resale certificate from a licensed automobile dealer, dismantler, automotive repairer or scrap metal processor, went into immediate effect upon passage in 2012.

By closing this tax gap where purchasers who are not properly licensed to sell, repair or dismantle vehicles are purchasing vehicles without paying tax reimbursement to the sellers or use tax to DMV, the California Board of Equalization anticipated staunching the loss of an estimated \$67 million every six months.

For Draft Legislation to Close the Gap on Sales Tax Avoidance, [CLICK HERE](#)

17. States should require a warning sticker on any vehicle offered for sale that has been reported as a total loss by an insurance company or has been reported as acquired by a NMVTIS junk/salvage/insurance (J/S/I) reporting entity, or if the certificate of title contains a brand.

[California Assembly Bill 1215](#) requires all California auto dealers to check NMVTIS before offering a used car for sale and post a prominent warning sticker on the vehicle itself if the vehicle is in NMVTIS or has a branded title. The legislation was enacted in 2011 with widespread bi-partisan support and took effect July 1, 2012.

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NSVRP recommends that other states use this as a model for similar legislation. Absent a prominent warning, consumers may be unaware that NMVTIS reporting history exists for the vehicles that they are in the act of acquiring. If they are made aware of the vehicle's status from the outset, consumers can make a more informed decision regarding price, safety and reliability of the vehicle they plan to purchase.

Additionally, NSVRP's research demonstrates that NMVTIS routinely carries explicit notification and reporting of total loss information more quickly and more completely than any other source as a result of the legal requirement for such reporting by J/S/I reporting entities that are obligated to report directly to NMVTIS. This reporting obligation even includes the acquisition of vehicles handled for disposal for others, such as when a salvage pool sells a total loss vehicle for an insurer and which would not otherwise have been reported as a title transfer for state reporting requirements.

Sample Warning Required by CA AB1215

WARNING

According to a vehicle history report issued by the National Motor Vehicle Title Information System (NMVTIS), this vehicle has been reported as a total-loss vehicle by an insurance company, has been reported into NMVTIS by a junk or salvage reporting entity, or has a title brand which may materially affect the value, safety, and/or condition of the vehicle. Because of its history as a junk, salvage or title-branded vehicle, the manufacturer's warranty or service contract on this vehicle may be affected. Ask the dealer to see a copy of the NMVTIS vehicle history report. You may independently obtain the report by checking NMVTIS online at www.vehiclehistory.gov.

For Model State Legislation to Require a Warning Sticker on any Vehicle Offered for Sale that has been Reported as a Total Loss by an Insurance Company or has been Reported as Acquired by a NMVTIS junk/salvage/insurance (J/S/I) Reporting Entity, or if the Certificate of Title Contains a Brand, [CLICK HERE](#)

18. States should not allow salvage auctions to sell directly to consumers. If a state is contemplating allowing auctions or wholesalers to sell directly to consumers, they must institute important consumer protections.

Some states are now considering expanding salvage auto auction sales from traditional wholesale markets to allow unlicensed consumer buyers, and some have already done so. Further, many auction companies now directly advertise broker services to members of the public who may not be eligible to bid due to licensing restrictions. However, there have not been corresponding changes to the typical auction pool 'as-is, where-is' sales policy, a policy that has been acceptable in an environment in which buying is done by businesses that can afford to absorb potential losses but that poses significant dangers for consumer purchasers.

There are special risks to the general public when purchasing vehicles at salvage auctions above and beyond those that exist in the purchase of regular used vehicles. Salvage auctions do not allow for close inspection of vehicles. The vehicles cannot be taken off-site for pre-purchase test drive and inspection, they cannot be put on a lift and tests cannot be run. Furthermore, sales often take place in less than a minute based on Internet photos and extremely limited information provided by the seller. The vehicles themselves are often poorly documented, with questionable histories and routinely are in inoperable condition at the time of the sale. NSVRP believes that such vehicles offered under these conditions are suitable for purchase only by dealers who are knowledgeable in repairs and familiar with the special challenges that exist when purchasing vehicles at salvage auctions.

In the interest of protecting the general public from these excessive risks, NSVRP advises that buyers at salvage auctions must be licensed parties that have met the minimum standards set by a state for being able to purchase

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vehicles at these auctions. A 'Bid Card' process that exists in some states is an effective way for achieving these minimum standards, although a process that accepts licensed automotive body shop/repairers could be an alternative approach. Those with general (non-automotive) licenses or private parties are not typically qualified to take on such risks.

If a state is willing to allow general population bidders at salvage auctions, NSVRP urges that any such sale must under state law provide the buyer an absolute level of protection that allows the buyer the right to withdraw their purchase without condition and without penalty for a period of time that allows for careful inspection of the purchase at a repair facility of the buyer's choice to confirm that the vehicle can be safely and cost effectively restored to road service. Such a period should be a minimum of seven to 14 days from the time the vehicle has been transported from the auction by the bidder. Within that time, consumer purchasers should have an absolute right of cancellation, at the sole discretion of the purchaser, for a full refund of their purchase price and all fees and charges paid to the auction, including buyer's fees, any fees and charges paid to any broker/dealer used in the transaction and towing costs for the delivery and return of the vehicle. Given the level of improper titling and branding by some sellers, and given that the consumer bidder is often being asked to make their purchases over the Internet without any right of pre-inspection and road testing prior to bidding, these protections are critical to minimize fraudulent practices and to protect the public. These recommendations apply only for private individuals purchasing at auction and is intended to be in addition to any other remedies available to a buyer under law.

For Model State Language Requiring a License for Purchase of Salvage Motor Vehicles at an Auction, [CLICK HERE](#)

For Model State Language Instituting Important Consumer Protections for States Considering Allowing Auctions or Wholesalers to Sell Directly to Consumers, [CLICK HERE](#)

19. E-titling Considerations

E-titling, an electronic form of ownership verification of all vehicles from manufacture through end of life, has the potential to minimize potential errors that come from paper handling, reduce investigative and administrative efforts by states, and contribute to environmental efforts while cutting costs by reducing paper, printing and postage. E-titling will also go far in reducing many types of vehicle fraud commonly committed upon the public, not only by keeping paper titles out of the hands of parties who might use the paperwork to resell a vehicle that is not legally theirs to sell, but also by addressing some of the systemic problems in titling and branding that support the types of fraud that are able to occur when sellers avoid required reporting and when vehicles titles are 'skipped' when owners take possession through purchase and fail to retitle the vehicles in their name.

NSVRP has a number of recommendations that should be considered and incorporated as a national e-titling roadmap is developed.

First is in regard to the federal Odometer Act. The current version of federal Odometer Disclosure Requirements includes language that designates that an odometer declaration must be executed 'upon transfer.' It is common practice under the current paper titling system, however, for some parties to differentiate between the 'recording' and the 'reporting' requirements of the federal Odometer Act, recording the odometer reading at the time of the transfer, but not reporting that information until a subsequent transfer. NSVRP has noted many situations in which delayed reporting has created an environment in which subsequent fraud can take place, including the example noted in the

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sidebar of the 2010 Mercedes which highlights the delayed reporting that apparently led to this flood-damaged total-loss vehicle being sold at auction with a clean title.

The second area in which single, instantaneous electronic title reporting will have an impact on eradicating common practices that conflict with federal laws and help to create an environment for fraud and abuse will be to close the gap on avoidance of title transfer reporting and/or odometer reporting when owners – especially insurers – take efforts to make it appear as though a transfer has not yet taken place even though a total loss event has occurred, a claims payoff has taken place and the vehicle is now under control of the next party.

Recently, ABC News followed the fraudulent sale – representative of hundreds of examples NSVRP has identified in its monitoring – of a single Hurricane Sandy flood loss vehicle and traced it to titling and branding issues that originated with both an insurer and its contracted salvage auction company. An undercover ABC reporter purchased the flood damaged total-loss truck from a used car dealer in New Jersey for approximately \$20,000.

The fraud detailed in the story was facilitated partly as the result of mandated title transfer and brand documents not being filed by the insurer, making multiple transfers on a paper title without reporting to the jurisdiction and the vehicle then subsequently being sold at auction without a title document under a bill of sale – also apparently in violation of state law. As a result, the prior owner was still listed in the state’s records with a pre-flood clean title, and the dealer apparently then submitted fraudulent paperwork to request a duplicate title as if he were the original owner of the vehicle.

Since the state records had never been updated to note the vehicle as a salvage vehicle in the insurer’s name as required, the state issued a clean replacement title under the name of the prior insured. That replacement title was then used to record a direct transfer from the insured to the dealer who bought it at the salvage auction and the intermediate transaction of a title transfer and branding was



This 2010 Mercedes was declared an insurance total loss after sustaining flood damage in Colorado. It highlights several different elements of concern such as title branding avoidance on flood cars and exemptions or non-mandatory requirements on reporting, some of which presently apply to many jurisdictions in which salvage branding of total loss vehicles is not mandatory, in which the reporting of the acquisition of such vehicles does not require immediate reporting and that do not require title paperwork and brand to be updated before vehicles are offered for sale.

Most relevant for purposes of discussion on e-titling and e-odometer, it appears that the odometer declaration reporting on the title transfer from the insured to the insurer was deferred from 8/10/2013 until 10/5/2013, when the transfer was reported to the jurisdiction only just prior to the scheduled salvage auction sale and which would have been properly reported under electronic filing on 8/10/2013 under timely e-odometer reporting. Timely e-odometer reporting would also have prevented late reporting of the title transfer between the insured and the insurer, which appears to have been delayed until such time that its availability for public disclosure might not have been publicly known until after the time of the auction sale. This delayed reporting occurred despite the DOJ flood vehicle advisory to NMVTIS reporting entities of Nov. 8, 2012, recommending those entities take all steps to ensure flood damaged vehicles they obtain possession of are reported in a timely manner to ensure flood damage information is available to consumers before a vehicle is offered for resale or sold.

At this time it is unclear if the title transfer and salvage branding which seems to have been recorded on a subsequent date of 10/30/2013 was a result of corrective action by the jurisdiction after consulting NMVTIS, or the result of an honest filing by the next buyer based upon knowledge that the vehicle was in fact an insurance total loss flood vehicle not previously branded and suffering what appears to be extensive damage. Only the jurisdiction, by searching its backup documentation or by interviewing the parties could make such a final determination. However, from this real-world example it is clear how e-titling and e-reporting would better serve the public.

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permanently skipped. With e-titling required immediately at the time of the transaction, this sort of fraud would be much less likely to occur.

Third, it will be important to ensure that state laws do not conflict with the immediate odometer recording requirements of federal law. NSVRP is aware of legislation recently introduced in New Jersey that appears to be in conflict with the federal Odometer Act by allowing insurers to omit themselves from the chain of title by requesting the salvage pool handling the sale of the vehicle on behalf of the insurer to take title in the salvage pool name for resale, thereby skipping ownership when a prior transfer between the insured and the insurance company has already taken place. New York has recently passed legislation similar to NJ A3395, and NSVRP understands that other states may have similar laws and that similar bills may be surfacing in other states.

Avoidance of title transfers results in the failure to protect the public by avoiding the required brand assignment, as well as the loss of taxes and fees for multiple jurisdictions. If passed, such legislation would essentially sanction title skipping, which is not only a violation of both state and federal law but also a danger for consumers. Shortly after Hurricane Sandy, and following reports of certain insurance companies engaging in transactions that violated federal odometer disclosure law by failing to sign disclosures, the [National Highway Traffic Safety Administration \(NHTSA\) Office of General Counsel issued a letter to the major insurance companies](#) reiterating that omitting insurers from the chain of reporting and disclosure is a violation of federal law.

Fourth, some states may decide to incorporate e-NMVTIS junk/salvage reporting into their e-odometer and e-titling systems. In these cases, it will be important to clearly identify that the requirement for NMVTIS reporting is not based upon a change in ownership alone, but also in cases in which entities acquire control of a vehicle for purposes of 'selling in whole or for parts or for scrap/crush' and is based upon a federal requirement that goes beyond the traditional state title reporting requirements of a change in ownership. Since most scenarios propose e-titling to also serve as the means of reporting for NMVTIS, states should be aware of the more rigorous federal reporting submission requirements that in many cases would go beyond the traditional state title requirement to reporting at the time of a change in ownership.

Fifth, NSVRP would also like to note a particular complication that exists when the vehicle subject to a title transfer has a lienholder interest associated to the vehicle title. In some states the title has a notation of an outstanding lien, but the title is in the possession of the lessee of the vehicle and can be processed in a relatively straightforward manner with e-titling – however there can still be a delay in processing if there is no electronic means of communicating with the lienholder. The situation is much more complicated when a vehicle has been leased in a jurisdiction where the lienholder keeps possession of the title, and any transfer of the vehicle cannot be done until such time as the lienholder has released the title to the party that is purchasing the vehicle. This has been known to cause extensive delays in the processing of insurance claims in states where the lienholder keeps possession of the physical titles. The mechanics of how to handle lienholder attached titles needs to be carefully worked out as e-titling processes are implemented. Further complications exist when titles pass between states that will have mandated e-titling and those that do not. As paper is moved between those jurisdictions, NSVRP believes that NMVTIS will have to be recognized as serving as a basis for all jurisdictions to be aware of the current title/brand and lienholder status for all vehicles.

In the meantime, states should be urged to use NMVTIS in all title and branding decisions, and to report all transactions into NMVTIS as rapidly as possible. Furthermore, under DOJ guidelines, the states have the authority to require under state law NMVTIS reporting requirements in their jurisdiction that are more stringent than the basic NMVTIS requirements 'so long as they do not thwart the intent of NMVTIS.' NSVRP urges states to use this authority to enact legislation to require reporting into NMVTIS within a 24-hour window rather than the federal requirement of 'within 30 days' after owning or acquiring a junk/salvage automobile. States should also fully

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integrate NMVTIS into their processes.

NSVRP would also recommend that states take advantage of the available National Vehicle Service (NVS) lienholder database that records most vehicles having a lienholder interest, and which is maintained in near real-time by input from most lienholders. This information can be obtained through various portals for law enforcement use at no charge to the jurisdictions.

By implementing an effective e-title process, the concept of a multiple transfer title document such as presently exists in many states, and which NSVRP has seen as a major contributing factor to title branding avoidance abuses, title skipping and title washing, would be substantially reduced, so long as its reporting requirements conform to federal reporting definitions. Furthermore, were the e-titling required to take place at the time of the event subject to that reporting requirement, we would avoid the massive delays often seen in submission of documents to states. Eliminating these lags will tighten up the system and will also reduce the major opportunities for fraud that occur in the commerce of used and salvage vehicles. Finally, implementing an e-titling system which ensures to the greatest extent possible reporting of all title transfers and other required transactions will, NSVRP believes, capture a very significant number of transactions that at present are not recorded or recognized, resulting not only in a reduction in fraud but also in a substantial increase in collections of lost taxes and fees that presently escape due to lack of reporting under the current system.

20. State NMVTIS Brand Recording: Pair All Title Reporting with Current Title Brand

The way in which some states report brands when a title is re-issued in-state, or is transferred from out-of-state, can make it appear as though the title on a branded vehicle has been washed. In these states, the brand is carried forward and applied to the newly issued title, but an updated brand notification is not reported into NMVTIS. While technically accurate because the brand has not changed, it may not be clear to a third state, or to a consumer performing a NMVTIS check, if the branding was removed or if it still applies. Furthermore, there are some cases in which certain states fail to brand, and then retroactively perform the branding at a later date. In cases in which branding is not resubmitted when being carried forward, it is extremely difficult to know if the current state is aware of the retroactive branding and if the vehicle is in fact accurately branded on its current title. While this method of reporting does not appear to be a violation of NMVTIS, the best practice – and the practice undertaken by most states – is to resubmit the brand along with the report of an updated title to ensure that current branding is immediately obvious.

For an Example of Problematic Brand Carry-Forward Reporting, [CLICK HERE](#)



NSVRP Vehicle Branding and Total Loss Best Practices Guidelines At-A-Glance
(updated August 2014 based upon lessons learned from Hurricane Sandy and Colorado floods)

Protecting the public through the proper application of title branding can be seen as a two-step process. The first step is to ensure that all damaged vehicles get a proper brand. The second step is to minimize ways in which this branding can be removed, or ‘washed.’

The following is a summary of NSVRP-recommended best practices guidelines, which are in our opinion fully consistent with the American Association of Motor Vehicle Administrators (AAMVA) best practice standards on salvage, rebuilt and reconstructed vehicles, to help ensure that damaged and total-loss vehicles are properly branded and to help close loopholes that are often used to bypass the initial branding of damaged vehicles and to reduce title washing of vehicles with branded titles.

1. All states should recognize at a minimum two classes of salvage titles: one that allows for repair/rebuilding and a second that is non-repairable (also known as junk/parts only/certificate of destruction).
 - a. The triggers for each classification should be reasonable and well-defined, based upon either a cost of repair as percentage of ACV, or a specific level of damage.
2. There should be very few (if any) exceptions to when a total-loss vehicle is required to have a salvage brand. Depending upon the level of severity that brand may be either a repairable or non-repairable brand. A total-loss payout occurs because the insurer has determined that it is not economical to repair the car and should be deemed as proof that there was enough damage that a brand is appropriate to alert a future buyer to prior damage.
3. States should not have exemptions to branding and unintended loopholes should be tightly policed and eliminated. Common exemptions and loopholes include:
 - a. Cutoff years beyond which vehicles get exemptions from branding
 - b. Value under which vehicles get exemptions from branding
 - c. High fixed dollar amount of damage under which vehicles get exemptions from branding
 - d. Exemption from included classes of parts (such as airbags) or classes of repair work (such as painting) in calculating the costs of repairs
 - e. Linking the calculation of non-repairable salvage to the economic return from the sale of the salvage vehicle
4. States should ensure that insurers and other owners are not given the latitude to declare unwarranted self-exemptions when making branding determinations. Subjective branding definitions, lack of thresholds, including branding determination language such as, “as determined by the person who owns the vehicle at the time of occurrence or by the insurer or other person acting on behalf of the owner,” or allowing damaged vehicles with missing or incomplete estimates to be classified as anything but non-repairable salvage all serve to leave branding determination in the hands of insurers and other owners, who have an economic incentive not to brand, or to under brand, damaged vehicles.
5. States should include a flood title brand designation and total-loss flood vehicles should be considered as strong candidates for non-repairable vehicle branding.
6. Bio/chemical-hazard vehicles should be considered non-repairable unless specifically addressed under the state’s inspection and re-registration process.
7. States should designate clear titling administrative and oversight authority to cover all regulated entities and ensure the relevant agency has the authority to make and implement recommended best practices.
8. To avoid title washing, states should include a brand carry-forward provision in their rules.

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9. States should require in-state title paperwork before allowing the sale of vehicles by salvage auctions. The resale of clean title cars from other states at salvage auctions has been banned by some states because it enables parties to circumvent mandatory branding under rules in the title states and allows vehicles to be resold under previous clean titles without regulation.
10. NMVTIS reporting violations should also be a violation of state law and states should require reporting on an accelerated timeframe. These states should define penalties for violation of non-registration and reporting under state law.
 - a. States should also consider requiring salvage auctions to ensure that all buyers/brokers are registered with NMVTIS before being allowed to purchase at their auctions.
 - b. Towing companies obtaining Certificates of Destruction or junking certificates should be mandated by enforcement authorities to show proof that all such vehicles have been reported into NMVTIS.
11. States must clearly define when title transfer occurs and title branding is therefore required.
 - a. Violations of the federal Odometer Act should also be considered violations of state law.
 - b. States should consider requiring that odometer declarations be provided for vehicles older than 10 model years old given that the average age of vehicles on the roads today is over 11 years.
12. Multiple title transfers on a single document should be prohibited. The transfer under a clean title of a damaged vehicle is a significant source of title branding avoidance and a great risk to subsequent buyers.
 - a. Any title transfer of a damaged/total-loss vehicle under a clean title should be prohibited in any case where the vehicle would be subject to a change in title branding status if the transfer were being reported. The owner must be required to get the title branded before being allowed to resell or transfer the vehicle either directly or through an agent.
13. States should prohibit the sale of vehicles on bills of sale and require all sales of vehicles to be accompanied by a state-issued document such as a certificate of title, a salvage certificate of title or a certificate of destruction. When sales are conducted in the absence of state-issued documents, unscrupulous buyers can use bills of sale to obtain a duplicate title, which will likely be a clean title from the previous owner because transfer and branding information has not been reported to the state.
14. Salvage title vehicles should require full theft and safety inspections before being eligible for receiving a rebuilt/rebuilt salvage title.
15. There should be clear definitions of the terms agent/broker/dealer, and both brokers and dealers should be required to be included in any title chain of history.
16. States should close the gap on sales tax avoidance by requiring salvage vehicle sales to be presumed as sales at retail (and not for resale) unless the buyer presents a resale certificate as a licensed automobile dealer, dismantler, automotive repairer or scrap metal processor.
17. States should require a warning sticker on any vehicle offered for sale that has been reported as a total loss by an insurance company or has been reported as acquired by a NMVTIS junk/salvage/insurance (J/S/I) reporting entity, or if the certificate of title contains a brand.
18. States should not allow salvage auctions to sell directly to consumers.
 - a. If a state is contemplating allowing auctions or wholesalers to sell directly to consumers they must institute important consumer protections.
19. E-titling will be an effective tool in reducing many types of vehicle fraud commonly committed upon the public, but states must ensure that transfers are clearly defined, reporting is required at the earliest time when a transfer has effectively taken place and that state laws do not conflict with the reporting requirements of the federal Odometer Act.
20. States must pair all title reporting with reporting the current title brand when recording that information into NMVTIS.

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Comprehensive Vehicle Branding and Total Loss Best Practice Guide

Vehicle Examples

Note: All comments in this section were deemed applicable at the time that the original research was undertaken on each vehicle report. The status of any of these vehicles may change over time. Parties are urged to consider any potential updated information - including that which may result from investigations related to these vehicles - when determining the current status on each of these examples.





NSVRP Comprehensive Vehicle Branding and Total Loss Best Practice Guide Vehicle Examples

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The National Salvage Vehicle Reporting Program (NSVRP) is a not-for-profit 501 (C) (3). The organization was founded to support law enforcement and to promote and support efforts to advance the National Motor Vehicle Title Information System (NMVTIS). NSVRP's mission is to support initiatives to control auto-theft and title abuse. NSVRP's Board of Directors consists of representatives of major law enforcement groups, and is recognized by the Department of Justice as an independent third party voluntary standards body for NMVTIS. NSVRP has been recognized both by the Department of Justice and the FBI for 'Exceptional Service in the Public Interest' for its public policy efforts.

Best Practice #1:
There Should be Title Branding
Classifications for Both Salvage
(Repairable) and Non-Repairable
Titles and the Triggers for Each
Classification must be Reasonable
and Well-Defined



2004 Honda Pilot: Lack of Non-Repairable Brand Leads to VIN Cloning and Other Criminal Activity



NSVRP note: NJ does not have a non-repairable brand and requires salvage branding only when the cost to repair equals or exceeds fair market value of the vehicle. In this case, this vehicle was underestimated for damage by the insurer. If properly reported, the actual repair cost would have been substantially above the fair market value, but instead the damage was set below the threshold for mandatory branding for a non-repairable car in most states that have mandatory non-repairable branding, and also below the 100% threshold that would have required salvage branding in NJ.

The auction in this case was knowledgeable in the trade, and was aware of the requirements and was also able to recognize the under-estimation and apparent improper non-branding.

A vehicle with the same VIN was subsequently registered in Michigan. It appears the original burnt-out but unbranded Honda Pilot was purchased at a NJ Copart salvage auction for the paperwork by what is now known to be an international organized crime group.

Lot # 11754646 - 2004 HONDA PILOT EX

No Image Available		Glossary of Terms		
Lot Details		Highlights	Bid Information	
ACV: \$22,993 USD		 	Facility: NJ - GLASSBORO EAST	
Repair Cost: \$19,015 USD			Sale Date: 02/13/07	
Title State/Type: NJ CERTIFICATE OF TITLE			Sale Time: 12:00 PM EST	
Odometer: 0 NOT ACTUAL			Item # / Grid/Row: 2018 / *SALE	
Primary Damage: BURN			Sales Status: Sold	
Secondary Damage:			Bid Status: Never Bid	
VIN: 2HKYF18484H597096			Notice:	
Body Style: 4DR SPORT UTILITY			Sale has ended.	
Color: BLACK				
Engine: 3.5L 6				
Drive: ALL WHEEL DRIVE				
Cylinders: 6				
Fuel: GAS				
Keys: NO				
Special Note:				
Services				
Pre-approval Information				
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL. (What this means)				
Share / Save				

Virtual Sale Starts : TUESDAY 2/13/2007 at 12:00 PM EST

Pick Up Location : [NJ - GLASSBORO EAST](#)
 Sale Date : 2/13/07 Item# 2018
 Description : 2004 HONDA PILOT EX
 Color : BLACK
 VIN : [2HKYF18484H597096](#)
 ACV : \$22,993 USD
 Repair Cost : \$19,016 USD
 Title Type : CLEAN TITLE
 Loss Type : COLLISION
 Mileage : 0 N
 Damage Type : BN
 Keys: NO
Current Bid: \$2,900 USD



What Happens When States Lack A Well-Defined Non-Repairable Brand

(Examples of Vehicles Recently Offered for Sale with Repairable Titles at Ohio Auto Salvage Auctions*)

Ohio's titling statutes do not include a non-repairable brand. As a result, cars that are damaged beyond repair and should be destined only for the scrap heap are sold with rebuildable salvage titles. This opens the door to numerous types of fraud and abuse, including criminal entities using the paperwork to change the identity of a stolen vehicle and unscrupulous purchasers 'flipping' the cars by selling them to unsuspecting buyers after making cosmetic enhancements.



*All of the vehicles pictured here were offered for sale at Ohio CoPart and Insurance Auto Auctions (IAA) salvage auctions held during the period of July 17 to July 30, 2012.

Insurance Auto Auctions**2008 CHEVROLET COBALT**

Indianapolis Item# TBD



000-07535084 11/19/2010 COPYRIGHT 2010 - INSURANCE AUTO AUCTIONS

**PRINT**
 Auction [Indianapolis](#) | Wednesday **Dec-8 8:30**
 AM CST
Status : READY FOR SALE**Location :****Item# :** TBD
Who Can Bid : Dealer, Dismantler,
 Exporter, Non-Auto
 Licensed Business,
 Other Licensed
 Business, **Public**,
 Rebuilder, Scrapper

Pre-Bidding Closes **2d 15h 22m** [Pre-bidding history](#)
Stock# **7535084**

Data Last Updated: Dec-5 5:12 AM CST

Vehicle Attributes
 VIN : 1G1AM58B387126392
 VIN Status : OK
 Vehicle Type : Automobile
 Body Style : SEDAN 4 DOOR
 Vehicle Class : Basic Economy (car)
 Series : SPORT
 Exterior Color : BLACK
 Interior Color : GRAY
 Engine : 2.4L L4 MPI DOHC 16V NM4
 Country of Origin : UNITED STATES
 Fuel Type : Gasoline
 Cylinders : 4 Cyl.
 Transmission :
 Drive Line Type : FWD
 Check Digit : 3
Sale Document Info
 Certificate State : Indiana
 Document : SALVAGE
 Brand :
 Notes :
Vehicle Condition
 ACV: \$9,700.00
 Key: PRESENT
 Start Code: WON'T START
 Odometer: 16901
 Odometer Status: ACTUAL

 Loss Type: COLLISION
 Primary Damage: RIGHT FRONT
 Secondary Damage: ALL OVER

 Restraint System: Dual Air Bags Front, Head, And
 Side/active Belts W/automatic
 Passenger Sensor

 Air Bags: 2
 Driver Airbag: DEPLOYED
 Passenger Airbag: DEPLOYED
 Left Side Airbag: NONE
 Right Side Airbag: NONE
Additional Features
 CD Player: PRESENT
 Radio: PRESENT
 Tape Deck: N/A

Note that this vehicle has been designated eligible for purchase at this IAA salvage auction by the public.

NSVRP note: This is both an example of why all title branding must have both mandatory triggers for salvage (rebuildable) branding as well as an effective threshold for mandatory certificate of destruction/non-repairable/parts only branding.

Also note that in this state the regulations seem to allow bidding by the public on heavily damaged salvage vehicles - which clearly opens the public to inappropriate risks. Also, until this year it was very easy for any party out of state to apply for an Indiana dealer's license using a drop box address. NSVRP had noted a number of entities with very questionable international connections using these licenses of convenience to enable their activity at auctions.

Lot # 23270873 - 2010 CHEVROLET CAMARO SS

[View Large Images](#)

[Glossary of Terms](#)



Lot Details	Highlights	Bid Information
ACV: \$27,267 USD		Facility: CO - DENVER
Repair Cost: \$13,611 USD		Sale Date: 11/12/13
Title State/Type: CO CERTIFICATE OF TITLE		Sale Time: 12:00 PM MST
Odometer: 46,441 ACTUAL		Item # / Grid/Row: 3153 / B010
Primary Damage: FRONT END		Sales Status: On Approval
Secondary Damage: UNDERCARRIAGE		Bid Status: Never Bid
VIN: 2G1FK1EJ6A9179382		<h2>Current Bid: \$5,900 USD</h2>
Body Style: COUPE		
Color: WHITE		
Engine: 6.2L 8		
Drive: REAR-WHEEL DRIVE	Your Maximum Bid:	
Cylinders: 8	\$ _____ USD	
Fuel: GAS	(\$100 USD Bid Increment)	
Keys: YES		
Special Note:		
Services		
Inspectors Add to Watchlist		
<p>THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)</p>		<p>Estimated Delivery Cost: Change Zip Code 44306 \$1,199.45 USD</p>
<p>Share / Save </p>		
<p><< Back to Sale List Glossary of Terms << Previous Next >></p>		

Top Picks for You

<p>Lot # 26535033 2010 FORD RANGER... CO - DENVER Current Bid: \$775.00 Sale Date: 11/12/2013</p>	<p>Lot # 26988643 2005 MAZDA MAZDA... CO - DENVER Current Bid: \$825.00 Sale Date: 11/12/2013</p>	<p>Lot # 27444473 2006 HONDA ELEME... CO - DENVER Current Bid: \$90.00 Sale Date: 11/12/2013</p>	<p>Lot # 25000143 2010 CHEVROLET C... TX - AMARILLO Current Bid: \$3,550.00 Sale Date: 11/12/2013</p>
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NSVRP note: This vehicle has significant damage and NSVRP best practice guidelines are that a subsequent buyer should be alerted to the damage through state title branding. While many states require that all total loss vehicles are titled as salvage, and/or require salvage branding for vehicles damaged over a certain threshold, Colorado only requires salvage branding for vehicles damaged in excess of their ACV. This kind of vehicle should also require a state regulated safety inspection before being retitled and should carry a rebuilt salvage brand on its title once passing such inspection.

2012 TOYOTA COROLLA

000-11521033 06/21/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Hartford](#) Thursday [Oct-10](#)9:00 AM CDT 

Status : READY FOR SALE

Location : Hartford Branch

Lane A Item#: 3086Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, ScrapperSeller : GEICO Insurance - ZVIC
(FCC12) BuffaloACV : \$15,750Data Last Oct-9 1:25 AM CDTupdated :Pre-Bidding Closes **13h 48m** [Pre-bidding](#)
[history](#)Current Bid: \$25Stock# : 11521033Sale Document : SALVAGE(Connecticut)

Loss:	FIRE
Primary:	EXTERIOR BURN
Secondary:	INTERIOR BURN
Key:	Present
Start Code:	WON'T START
Odometer:	
Odometer Status:	BURNT

Fuel Type:	Gasoline
Cylinders:	4 Cyl
Engine:	1.8L L4 FI DOHC 16V NF4
Transmission:	Unknown
Drive Line Type:	Front Wheel Drive

Vehicle:	Automobile
VIN:	<u>2T1BU4EE0CC889708</u>
VIN Status:	OK
Body Style:	SEDAN 4 DOOR
Vehicle Class:	Non Luxury Traditional Compact
Series:	S/LE
Manufactured in:	CANADA
Exterior Color:	RED
Interior Color:	GRAY

Restraint System:	Dual Front, Side & Head Airbags, Rear Head Airbags; Active Belts
Air Bags:	4
Driver/Passenger:	DEPLOYED / DEPLOYED
Left/Right Side:	DEPLOYED / DEPLOYED

Features

CD Player:	MISSING
Radio:	PRESENT
Tape Deck:	MISSING

NSVRP note: This vehicle is a major burn and cannot be restored to road use. Presumably the insurer had determined that less than 10 major components had been damaged beyond repair – per Connecticut statutes – or just made a determination that there was not going to be effective regulatory oversight to provide a deterrent from failing to make a 'parts only' designation. We believe the current CT standard is insufficient, and in any event this vehicle theoretically could be bought even by a consumer through a broker, or by a used car dealer directly at auction. The vehicle paperwork would then provide cover for a subsequent theft and VIN clone under this paperwork.

Best Practice #2:
Vehicles Involved in a Total Loss
Event Must Be Branded as
Salvage (Repairable) or Non-
Repairable, with Very Few
Exceptions



2005 FORD LGT CONV TNL 'F'



000-12991556 04/15/2014 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Fayetteville](#) | Thursday [Jun-19](#)

10:00 AM EDT

Status : READY FOR SALE

Location : Fayetteville
BranchLane A [Item#](#): 3028Who Can Bid : Dealer, Dismantler, Exporter,
Non-Auto Licensed Business,
Other Licensed Business, Public,
Rebuilder, Scrapper

Seller : ALFA Vision Insurance Company

[ACV](#) : \$10,385[Data Last updated](#) : Jun-18 2:37 AM EDTPre-Bidding Closes 20h 58m [Pre-bidding history](#)[Current Bid](#): \$25[Stock#](#) : 12991556
[Sale Document](#) : CLEAR(Arkansas)Loss: WATER
Primary: LEFT SIDE
Secondary: FLOOD
Key: Present
Start Code: WON'T START
Odometer: 116977
Odometer Status: ACTUALFuel Type: Gasoline
Cylinders: 8 Cyl
Engine: 4.6L V8 FI NF
Transmission: Unknown
Drive Line Type: Rear Wheel DriveVehicle: Automobile
VIN: [1FTRX12W65FA97235](#)
VIN Status: OK
Body Style: 4 DOOR EXT CAB PK
Vehicle Class: Non Luxury Full Size Half Ton Pickup
Series: F150
Manufactured in: UNITED STATES
Exterior Color: GRAY
Interior Color: GRAYRestraint System: Dual Air Bags Front/active Belts
With Passenger Side
Deactivation/cutoff Switch
Air Bags: 2
Driver/Passenger: INTACT / INTACTFeaturesCD Player: PRESENT
[Estimated Repair Cost](#): \$7,410
Radio: PRESENT
Tape Deck: N/A

000-12991556 04/15/2014 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

NSVRP note: Due to Arkansas' exemption of vehicles older than 7 model years of age from any branding regardless of damage, this Ford truck that would appear to otherwise meet the Arkansas definition of salvage due to significant water damage and an estimated repair cost exceeding 70% of the vehicle's ACV is apparently being offered for sale with a clean title.

Furthermore, when an insurance company declares a vehicle as a total loss – as appears to be the case in this example – it is because the insurer has determined that it is not economical to repair that car and it typically signals significant damage. If a vehicle has a brand, then the consumer is warned that the vehicle may no longer be safe or roadworthy. Many states require all total loss vehicles to be branded as salvage (repairable) or non-repairable – depending upon the level of damage – but Arkansas does not.

2004 SUBARU FORESTER



000-12987780 04/10/2014 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Northern Virginia](#) Monday[Apr-28](#) 8:00 AM CDT

Status : READY FOR SALE

Location : Northern Virginia
BranchLane A [Item#](#): 3172Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, Scraper

Seller : Geico Insurance

[ACV](#) : \$6,806[Data Last updated](#) : Apr-25 2:38 AM CDTPre-Bidding Closes 2d 21h 25m [Pre-bidding history](#)[Current Bid](#): \$25Stock# : 12987780
Sale Document : CLEAR(Virginia)Loss: FIRE
Primary: ENGINE BURN
Secondary:
Key: Present
Start Code: CAN'T TEST
Odometer: 149283
Odometer Status: ACTUALFuel Type: Gasoline
Cylinders: 4 Cyl
Engine: 2.5L H4 SFI DOHC 16V S4
Transmission: Unknown
Drive Line Type: All-Wheel DriveVehicle: Automobile
VIN: [JF1SG69644H724592](#)
VIN Status: OK
Body Style: WAGON 4 DOOR
Vehicle Class: Non Luxury Compact Cuv
Series: 2.5XT
Manufactured in: JAPAN
Exterior Color: SILVER
Interior Color: GRAYRestraint System: Dual Air Bags Front, Head And
Sides/passive Belts
Air Bags: 4
Driver/Passenger: INTACT / INTACT
Left/Right Side: INTACT / INTACT**Features**CD Player: N/A
Radio: PRESENT
Tape Deck: N/A

NSVRP note: This vehicle appears to be exempted from branding due to Virginia's model year cut-off despite the fact that it appears to have been declared a total loss by the insurer and would seem to be totally uneconomical to repair. NSVRP best practice recommends that all total loss vehicles be required to be branded salvage (repairable) or non-repairable based upon the level of damage.

Furthermore, the failure to perform a complete estimate – or any estimate – should require that the vehicle be given the most severe level of branding as a non-repairable vehicle. Any branding below non-repairable when the insurer or other party has failed to write a complete estimate should be understood for what it often is – mainly a fraudulent effort to under report damage as a method of under branding the vehicle for the benefit of the insurer or other owner and at the expense of a subsequent retail buyer.

2002 MERCEDES-BENZ C230



000-11814672 08/28/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) | Tuesday [Oct-8](#)

10:30 AM CDT



Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3043Who Can Bid : [Dealer](#), [Dismantler](#), [Exporter](#),
[Rebuilder](#), [Scrapper](#)Seller : GEICO Insurance - ZVIC (FCC09)
Dallas[ACV](#) : \$7,125[Data Last updated](#) : Oct-7 1:11 AM CDTPre-Bidding Closes **23h 1m** [Pre-bidding history](#)[Stock#](#) : 11814672[Sale Document](#) : CLEAR(Colorado)

Loss:	WATER
Primary:	FLOOD
Secondary:	FRONT END
Key:	Present
Start Code:	CAN'T TEST
Odometer:	88258
Odometer Status:	NOT REQUIRED/EXEMPT

Fuel Type:	Gasoline
Cylinders:	4 Cyl
Engine:	2.3L I4 FI DOHC 16V F
Transmission:	Unknown
Drive Line Type:	Rear Wheel Drive

Vehicle:	Automobile
VIN:	WDBRN47J82A351183
VIN Status:	OK
Body Style:	COUPE
Vehicle Class:	Luxury Traditional Compact
Series:	K
Manufactured in:	GERMANY
Exterior Color:	BLUE
Interior Color:	GRAY

Restraint System:	Dual Air Bags Front, Head, And Side/active Belts/rear Dual Air Bags Side
Air Bags:	4
Driver/Passenger:	INTACT / INTACT
Left/Right Side:	INTACT / INTACT

Features

CD Player:	PRESENT
Estimated Repair Cost :	\$6,716
Radio:	PRESENT
Tape Deck:	N/A

NSVRP note: This is an older luxury compact that would appear to be attractive vehicle for reselling to the budget minded consumer. The vehicle was exempted from any branding in Colorado because it is more than 5 model years old. The parties bidding on such vehicles can see that the auction has noted the vehicles as flood loss vehicles, however once the auction has completed, the auction documentation is no longer accessible to the public, and the title paperwork does not show a branding history. A buyer at auction such as a used car dealer could then offer the vehicle for resale to the public from their facility or over the internet/eBay/Craigslist and easily avoid disclosure to that potential buyer of the flood loss history. A consumer would see it has a clean title and would be unaware of its flood loss history and be unprotected by the state from financial, health and safety harm that will result from buying a car that may be unreliable and subject to regular intermittent or permanent failures..

The law should require that all insurance total loss vehicles require salvage branding and that flood-damaged vehicles, regardless of age, be given a flood/salvage or flood/non-repairable branding based upon the exact nature of the damage sustained.

NSVRP Note 6/2014: This vehicle appears to have been registered with a clean Colorado title.

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.


**Best Practice #3:
Exemptions to Branding Should Be
Minimal and Unintended Loopholes
Should Be Tightly Policed and
Eliminated**



1992 ACURA INTEGRA



000-11702309 07/26/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) | Wednesday [Oct-2](#)10:30 AM CDT 

Status : READY FOR SALE

Location : Denver Branch

Lane A Item#: 3027Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, ScrapperSeller : Progressive Casualty Insurance
- NE - LincolnACV : \$3,206Data Last updated : Oct-2 1:25 AM CDT**This auction is closed to pre-bidding. I-bid Live bidding begins at the time indicated.**Stock# : 11702309Sale Document : CLEAR(Colorado)

Loss: THEFT
 Primary: THEFT
 Secondary: STRIP
 Key: Missing
 Start Code: WON'T START
 Odometer:
 Odometer Status: NOT REQUIRED/EXEMPT

Fuel Type: Gasoline
 Cylinders: 4 Cyl
 Engine: Missing
 Transmission: Missing
 Drive Line Type: Front Wheel Drive

Vehicle: Automobile
 VIN: [JH4DA9359NS017934](#)
 VIN Status: MISSING
 Body Style: HATCHBACK 2 DOOR
 Vehicle Class: Luxury Traditional Compact
 Series: LS
 Manufactured in: JAPAN
 Exterior Color: GRAY
 Interior Color: GRAY

Features

CD Player: N/A
 Radio: MISSING
 Tape Deck: N/A

NSVRP note: Here is an example of why states should not have title and branding exemption language based upon a year model cut-off. This vehicle has apparently legally retained a clean title based upon a restriction in state law that limits branding to a 0-5 model year eligibility window.* Other states have similar exclusions with year-model cut-offs of from 5-10 model years. Since the average age of a vehicle on the road today is more than 11 years this eliminates critical protections for the public on a majority of used cars being resold to the public - especially to those most vulnerable and least able to afford the financial harm resulting from purchasing such vehicles.

In this case it has allowed an insurer to essentially 'pre-wash' a title. If such a vehicle were to be purchased by a bidder and it was not purchased for scrap, that bidder would have legal paperwork which could be used to then cover a theft and VIN swap of a stolen car to this identity.

In this case the vehicle is of an old year model, so the risk is not as great, but we have many other such examples where later model vehicles are involved. This still could provide economic incentive for a theft ring to do a theft and swap and make a profit.

Regardless, an insurer should not be allowed to pay off a claim and be able to retain a clean title on such a vehicle.

*[Colorado recently repealed its model year exemption on branding, but similar exemptions remain in place in other states.](#)

<https://www.iaai.com/Vehicles/VehicleDetails.aspx?auctionID=14393132&itemID=15431...> 10/2/2013



Lot # 9902020 - 2000 VOLKSWAGEN GOLF GL [View Large Images](#)
[Glossary of Terms](#)

Lot Details	Highlights	Bid Information	
ACV: \$5,475 USD	 	Facility: MA - NORTH BOSTON	
Repair Cost: \$23,804 USD		Sale Date: 03/12/10	
Title State/Type: MA CLEAN TITLE		Sale Time: 12:00 PM EST	
Odometer: 0 EXEMPT		Item # / Grid/Row: 3119 / *SALE	
Primary Damage: ROLLOVER		Sales Status: Sold	
Secondary Damage:		Bid Status: Never Bid	
VIN: WVWBC21JZYW677137		Notice: Sale has ended.	
Body Style: HATCHBACK 2DR			
Color: BLACK			
Engine: 2.0L 4			
Drive: FRONT-WHEEL DRIVE			
Cylinders: 4			
Fuel: GAS			
Keys: NO			
Special Note:			
Services			
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)			
Share / Save			
Glossary of Terms			
Back to Search			



NSVRP note: This is an example of a state with a 10 model year cut-off exemption on title branding. There should be no such exemptions - the average age of a vehicle on the road today is over 11 years. More than half of the vehicles on the road are above 10 model years old and are resold.

Here the repair cost has been estimated at more than four times the cost of an undamaged vehicle of this age, yet by law it is being assigned a clean title. This could be purchased by parties for the paperwork making it easy to steal another vehicle to then resell under the cloned VIN from this total-loss. If the vehicle had sustained less damage, then such a vehicle would have a clean title and could be bought at these auctions and then resold to unsuspecting buyers due to the state mandated clean title history.

2005 MERCEDES-BENZ E500



Stock# : 11941152
 Sale Document : CLEAR(Colorado)
 Notes : FLOOD DAMAGE

Loss: WATER
 Primary: FRESH WATER
 Secondary: FLOOD
 Key: Present
 Start Code: CAN'T TEST
 Odometer: 76591
 Odometer Status: NOT ACTUAL

Fuel Type: Gasoline
 Cylinders: 8 Cyl
 Engine: 5.0L V8 FI SOHC 24V F3
 Transmission: Unknown
 Drive Line Type: All-Wheel Drive

Auction [Denver](#) | Tuesday [Oct-22](#)

10:30 AM CDT

Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3124

Who Can Bid : Dealer, Dismantler, Exporter, Rebuilder, Scrapper

Seller : GEICO Insurance - ZVIC (FCC09) Dallas

[ACV](#) : \$11,350

[Data Last updated](#) : Oct-20 1:13 AM CDT

Vehicle: Automobile
 VIN: [WDBUF83J65X172808](#)
 VIN Status: OK
 Body Style: SEDAN 4 DOOR
 Vehicle Class: Luxury Traditional Mid Size
 Series: 4MATIC AWD
 Manufactured in: GERMANY
 Exterior Color: WHITE
 Interior Color: GRAY

Restraint System: Dual Air Bags Front, Head, And Side/active Belts/rear Dual Air Bags Side

Air Bags: 2
 Driver/Passenger: INTACT / INTACT

Features

CD Player: PRESENT
 Radio: PRESENT
 Tape Deck: N/A

Pre-Bidding Closes **22h 23m** [Pre-bidding history](#)

[Current Bid](#): \$1,325

NSVRP note: This is a middle year model mid-size luxury vehicle that would appear to be a very attractive vehicle for reselling to the consumer. The vehicle was exempted from any branding because it is more than 5 model years old. A consumer would see it has a clean title and would be unaware of its flood loss history. There is no damage estimate posted on this auction site so there is no credible repair estimate provided.

This vehicle could be bought by a dealer, rebuilder or exporter and the dealer or rebuilder are typically purchasing for resale to the public. Under current law the public will see this as a vehicle with a clean unbranded Colorado title and be unprotected by the state from financial, health and safety harm that will result from buying a car that may be unreliable and subject to regular intermittent or permanent failures.

The law should require that this vehicle be given a flood/salvage or flood/non-repairable branding based upon the exact nature of the damage sustained.

NSVRP Note 6/2014: This vehicle appears to have been registered with a clean Colorado title.





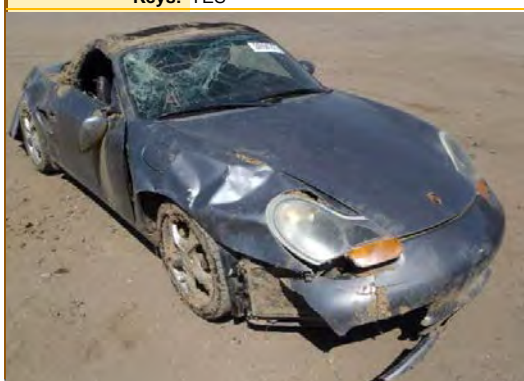
Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

Lot # 24754143 - 2001 PORSCHE BOXSTER

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[Glossary of Terms](#)



Lot Details	Highlights	Bid Information
ACV: \$11,706 USD	  	Facility: CO - DENVER
Repair Cost: \$11,919 USD		Sale Date: 11/12/13
Title State/Type: CO CERTIFICATE OF TITLE		Sale Time: 12:00 PM MST
Odometer: 0 EXEMPT		Item # / Grid/Row: 3175 / SF010
Primary Damage: ROLLOVER		Sales Status: Pure Sale
Secondary Damage: WATER/FLOOD		Bid Status: Never Bid
VIN: WP0CA29871U626251		<p>Current Bid: \$875 USD</p>
Body Style: CONVERTIBLE		
Color: GRAY		
Engine: 2.7L 6		
Drive: REAR-WHEEL DRIVE	<p>Your Maximum Bid:</p> <p>\$ USD </p> <p>(\$25 USD Bid Increment)</p>	
Cylinders: 6	 <p>Estimated Delivery Cost: Change Zip Code 44306 \$1,199.45 USD</p>	
Fuel: GAS		
Keys: YES	<p> Copart Member Protection Pledge</p>	
	<p>Glossary of Terms</p>	<p><< Previous Next >></p>

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

NSVRP note: This is a high end and still valuable sports type car. It has a clean title because of the previous 5 year limitation on branding under Colorado law. In addition the damage exceeds the threshold that should according to NSVRP guidelines make this appropriate for mandatory branding as a flood/non-repairable vehicle. At the time of the auction it had not been reported to Colorado for retiring the title as junk.

NSVRP Note 6/2014: This vehicle appears to have been registered with a clean Colorado title.



Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

Lot # 25666213 - 2003 NISSAN MAXIMA GLE

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[Glossary of Terms](#)

Lot Details ACV: \$5,873 USD Repair Cost: \$7,304 USD Title State/Type: CO CERTIFICATE OF TITLE Odometer: 147,033 ACTUAL Primary Damage: WATER/FLOOD Secondary Damage: DAMAGE HISTORY VIN: JN1DA31D33T523889 Body Style: SEDAN 4DR Color: SILVER Engine: 3.5L 6 Drive: FRONT-WHEEL DRIVE Cylinders: 6 Fuel: GAS Keys: YES Special Note:	Highlights 	Bid Information Facility: CO - DENVER Sale Date: 11/05/13 Sale Time: 12:00 PM MST Item # / Grid/Row: 2082 / SC002 Sales Status: On Approval Bid Status: Never Bid <div style="text-align: center; font-size: 24px; font-weight: bold;">Current Bid: \$150 USD</div> Your Maximum Bid: \$ <input type="text"/> USD (\$25 USD Bid Increment) <div style="float: right; border: 1px solid black; padding: 5px; text-align: center;"> </div> Estimated Delivery Cost: \$1,199.45 USD Change Zip Code 44306
Services <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Inspectors </div> <div style="text-align: center;"> Add to Watchlist </div> </div> <p>THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)</p> <div style="display: flex; justify-content: center; align-items: center;"> </div> <div style="text-align: right; border: 1px solid black; padding: 5px; margin-top: 5px;"> </div>		
<p><< Back to Sale List Glossary of Terms << Previous Next >></p>		

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<p>Lot # 27653103 2003 NISSAN MAXI... CO - DENVER Current Bid: \$0.00 Sale Date: 11/26/2013</p>	<p>Lot # 26962963 2003 HONDA ACCOR... CO - DENVER Current Bid: \$1,250.00 Sale Date: 11/05/2013</p>	<p>Lot # 26573203 2002 NISSAN ALTI... CO - DENVER Current Bid: \$90.00 Sale Date: 11/05/2013</p>	<p>Lot # 25442463 2005 HONDA ACCOR... CO - DENVER Current Bid: \$90.00 Sale Date: 11/05/2013</p>
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NSVRP note: This vehicle had an estimated repair cost in excess of the ACV (undamaged used car value) and should have a mandatory non-repairable branding. Unfortunately because this vehicle was shielded from branding by the 5 year cut-off exemption in Colorado it retained a clean unbranded title. It was apparently resold to a dealer and will likely be resold to a consumer unaware of the severe flood damage which will make the vehicle unreliable for use and which (based upon the stated repair estimate) will cost the end buyer more than the cost of a similar used car off of a dealer's lot to get it to operate. Once operating, as a flood loss car it will likely continue to fail repeatedly causing it to be unreliable and unservicable.

The damage estimate exceeds the ACV, but without a full manufacturer's diagnostic testing and teardown it is not possible to do a valid damage and repair estimate on a flood loss vehicle making any repair estimate speculative and unsupported.

Potentially the next buyer - if it was purchased from the auction for resale - could be someone already harmed by the flooding who will then be harmed again by buying a replacement car that unknowingly to them was also a flood loss vehicle. This vehicle appears to have been registered with a clean North Dakota title.

NSVRP note: This vehicle was offered for sale with a clean unbranded title status with Colorado as reported into NMVTIS by the state. This is as a result of the previous Colorado exclusion on branding for vehicles more than 5 years old. The insurance company is not required to turn in the title and request a junk status under Colorado law and they did not see fit to do so voluntarily. A purchaser at auction could then use this paperwork to cover a theft and clone using counterfeit tags on the stolen car to match this VIN. The 5 year exemption has been eliminated from current Colorado law, but mandatory non-repairable branding should be required at 80% damage to ACV.

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

EMAIL PRINT

LANE : ITEM# : #TBD
Auction: Denver

Bid Live
In 1d 20h
Wed, Nov 13, 10:30 AM CST

PRE BID 1d 20h

BID

This vehicle appears to have been retitled with a clean CO title on 10/11/13 and a junk title was applied on 4/29/14.

2004 SUBARU IMPREZA



+ WATCH

Stock# : 11754832
Sale Document : CLEAR(Colorado)

Loss: THEFT
Primary: THEFT
Secondary: STRIP
Key: Missing
Start Code: WON'T START
Odometer: 112341
Odometer Status: NOT ACTUAL

Fuel Type: Gasoline
Cylinders: 4 Cyl
Engine: Missing
Transmission: Missing
Drive Line Type: All-Wheel Drive

Vehicle: Automobile
VIN: JF1GD70634L511910
VIN Status: OK
Body Style: SEDAN 4 DOOR
Vehicle Class: Non Luxury Traditional Compact
Series: WRX STI
Manufactured in: JAPAN
Exterior Color: BLUE
Interior Color: BLACK

Features

CD Player: N/A
Radio: MISSING
Tape Deck: N/A

000-11754832 08/09/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS



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Sale Info

Auction	Denver	Wednesday	Nov-13 10:30 AM CST	
Status :	READY FOR SALE			
Location :	Denver Branch			
Item# :	#TBD			
Who Can Bid :	Dealer, Dismantler, Exporter, Rebuilder, Scrapper			
Seller :	American Family Insurance - Denver Claim Office (16) - ACH			
ACV :	\$10,650			

Note that this 'vehicle' has been listed by the auction as open to bidding by used car dealers, vehicle rebuilders and vehicle exporters. This creates a potential for parties to purchase the 'vehicle' for the paperwork which can cover a subsequent theft and clone operation.

NSVRP note: This vehicle is not repairable and it has retained a clean unbranded title because of Colorado's recently-removed exclusion on branding of vehicles older than 5 years of age. This vehicle could be bought for the clean title paperwork and later used to cover a theft and cloning of a domestic vehicle or for export where multiple theft and cloning in multiple countries or an insurance claim scam can take place.

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

« [PREVIOUS](#) | [NEXT](#) » [BACK](#)

LANE : A **ITEM# :** 5042
Auction: [Denver](#)

Bid Live
In 1d 20h 35m
Wed, Nov 13, 10:30 AM CST

PRE BID 1d 20h 35m

BID

2003 FORD SRW SUPER DUTY



000-11798678 08/16/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS



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+ WATCH

Stock# : 11798678
Sale Document : CLEAR(Colorado)

Loss: COLLISION
Primary: ROLLOVER
Secondary:
Key: Present
Start Code: WON'T START
Odometer: 104196
Odometer Status: NOT REQUIRED/EXEMPT

Fuel Type: Diesel
Cylinders: 8 Cyl
Engine: 6.0L V8 DIR F
Transmission: Manual
Drive Line Type: Four Wheel Drive

Vehicle: Automobile
VIN: 1FTSW31P63EC46563
VIN Status: OK
Body Style: CREW PICKUP
Vehicle Class: Non Luxury Full Size 3 Qtr To 1 Ton Pickup
Series: F350 SUPER DUTY
Manufactured in: UNITED STATES
Exterior Color: GRAY
Interior Color: GRAY

Restraint System: Dual Front Air Bags/active Belts
Air Bags: 2
Driver/Passenger: INTACT / INTACT

Features
CD Player: PRESENT
Radio: PRESENT
Tape Deck: N/A

Sale Info

Auction [Denver](#) | Wednesday **Nov-13 10:30 AM CST**

Status : READY FOR SALE
Location : Denver Branch
Item# : 5042
Who Can Bid : Dealer, Dismantler, Exporter, Rebuilder, Scrapper
Seller : GEICO Insurance - ZVIC (FCC09) Dallas
ACV : \$7,975
Data Last updated : Nov-10 1:12 AM CST

NSVRP note: Although this vehicle has been reported as crushed, its clean title status at the time of sale could have served to drive up bidding by parties looking to use the clean title for fraudulent purposes.

2004 TOYOTA CAMRY



000-13118414 05/08/2014 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Northern Virginia](#) Monday[Jun-9](#) 9:00 AM EDT 

Status : READY FOR SALE

Location : Northern Virginia
BranchLane A [Item#](#): 3211Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, Scrapper

Seller : Geico Insurance

[ACV](#) : \$7,597[Data Last updated](#) : Jun-5 2:39 AM EDTPre-Bidding Closes 2d 21h 17m [Pre-](#)
[bidding history](#)[Stock#](#) : 13118414
[Sale Document](#) : CLEAR(Virginia)Loss: COLLISION
Primary: FRONT END
Secondary: ENGINE BURN
Key: Present
Start Code: DIDN'T TEST
Odometer: 100640
Odometer Status: ACTUALFuel Type: Gasoline
Cylinders: 4 Cyl
Engine: 2.4L L4 FI DOHC 16V NF
Transmission: Unknown
Drive Line Type: Front Wheel DriveVehicle: Automobile
VIN: [4T1BE32KX4U334086](#)
VIN Status: OK
Body Style: SEDAN 4 DOOR
Vehicle Class: Non Luxury Traditional Mid Size
Series: LE/XLE/SE
Manufactured in: UNITED STATES
Exterior Color: BLUE
Interior Color: GRAYRestraint System: Dual Front Air Bags/active Belts
Air Bags: 4
Driver/Passenger: DEPLOYED / INTACT
Left/Right Side: INTACT / INTACT**Features**CD Player: PRESENT
Radio: PRESENT
Tape Deck: N/A

NSVRP note: This vehicle is exempted from branding due to Virginia's model year cut-off. This badly damaged vehicle which appears to be an insurance total-loss, should receive salvage branding to signal prior damage to future potential purchasers, or non-repairable branding to ensure that it is taken off the road, depending on the level of damage.

2003 CHRYSLER TOWN & COUNTRY



000-12448281 01/03/2014 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Tidewater](#) | Thursday [Feb-27](#)

8:30 AM CST 

Status : READY FOR SALE

Location : Tidewater Branch

Lane A [Item#](#): 3145

Who Can Bid : Dealer, Dismantler, Exporter, Rebuilder, Scrapper

Seller : State Farm Insurance - Virginia

[ACV](#) : \$5,800

[Data Last updated](#) : Feb-26 10:10 AM CST

[Stock#](#) : 12448281
[Sale Document](#) : CLEAR(Virginia)

Loss: COLLISION
Primary: ALL OVER
Secondary: BIO HAZARD
Key: Present
Start Code: WON'T START
Odometer: 68
Odometer Status: NOT ACTUAL

Fuel Type: Gasoline
Cylinders: 6 Cyl
Engine: 3.8L V6 SFI OHV 12V NS2
Transmission: Automatic
Drive Line Type: Front Wheel Drive

Vehicle: Automobile
VIN: [2C8GP74L93R125014](#)
VIN Status: OK
Body Style: SPORT VAN
Vehicle Class: Non Luxury Mid Size Van
Series: EX
Manufactured in: CANADA
Exterior Color: GOLD
Interior Color: GRAY

Restraint System: Dual Air Bags Front And Sides/active Belts
Air Bags: 2
Driver/Passenger: DEPLOYED / DEPLOYED

Features

[CD Player](#): PRESENT
[Estimated Repair Cost](#): \$5,800
[Radio](#): PRESENT
[Tape Deck](#): N/A

NSVRP note: 1) This vehicle appears to be exempt from branding due to Virginia's model year cut-off; and 2) The estimated repair cost is 100% ACV. This also appears to be an example of a 'truncated estimate,' a fairly common practice in the insurance industry where once a vehicle has been determined by the adjustor to be a total loss, there is a common practice to stop the estimate in order to save time and to then move on to another vehicle to be appraised. Often only cars that are intended to be repaired are given thorough estimates, where the estimate is then used to document the initial authorized payout to the repair shop (other than for a supplement for additional repairs not readily determinable until the vehicle is torn down during the repair process).

2004 DODGE RAM TRUCK



000-12721978 02/20/2014 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Indianapolis](#) | Wednesday [May-](#)**28 9:30 AM EDT**

Status : READY FOR SALE

Location : Indianapolis
BranchLane B [Item#](#): 3196Who Can Bid : Dealer, Dismantler, Exporter,
Non-Auto Licensed Business,
Other Licensed Business, Public,
Rebuilder, Scraper

Seller : Farm Bureau Insurance Indiana

[ACV](#) : \$12,926[Data Last updated](#) : May-27 2:13 AM EDTPre-Bidding Closes 22h 24m [Pre-bidding history](#)[Stock#](#) : 12721978
[Sale Document](#) : CLEAR(Indiana)Loss: FIRE
Primary: TOTAL BURN
Secondary:
Key: Present
Start Code: WON'T START
Odometer: 142432
Odometer Status: ACTUALFuel Type: Gasoline
Cylinders: 8 Cyl
Engine: 5.7L V8 SFI NS
Transmission: Unknown
Drive Line Type: Four Wheel DriveVehicle: Automobile
VIN: [3D7KU28D24G177396](#)
VIN Status: DAMAGED
Body Style: CREW PICKUP
Vehicle Class: Non Luxury Full Size 3 Qtr To 1
Ton Pickup
Series: RAM 2500 QUAD ST/SLT
Manufactured in: MEXICO
Exterior Color: BROWN
Interior Color: BROWNRestraint System: Dual Front Air Bags/active Belts
Air Bags: 2
Driver/Passenger: INTACT / INTACTFeaturesCD Player: N/A
Radio: PRESENT
Tape Deck: N/A

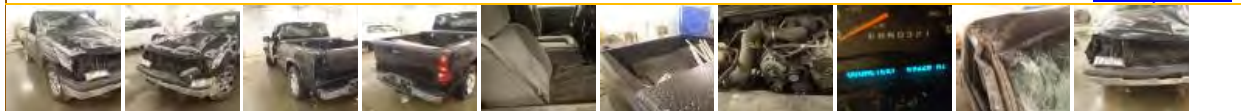
Due to Indiana's branding exemption on vehicles more than 7 model years old, this 2004 Dodge is apparently being offered for sale with a clean Indiana title despite the fact that it is clearly non-repairable.



Lot # 27779093 - 2006 CHEVROLET SILVERADO

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[Glossary of Terms](#)



Lot Details	Highlights	Bid Information
Est. Retail Value: \$10,350 USD	 	Facility: MI - FLINT
Est. Repair Cost: \$13,428 USD		Sale Date: 06/18/14
Title State/Type: MI CERTIFICATE OF TITLE		Sale Time: 10:00 AM EDT
Odometer: 69,220 ACTUAL		Item # / Grid/Row: 2540 / M080
Primary Damage: ROLLOVER		Sales Status: Minimum Bid
Secondary Damage:		Bid Status: Never Bid
VIN: 1GCEC14X56Z148997		<h2>Current Bid: \$300 USD</h2>
Body Style: PICKUP		
Color: BLACK		
Engine: 4.3L 6		
Drive: REAR-WHEEL DRIVE		
Cylinders: 6		
Fuel: GAS		
Keys: YES	Your Maximum Bid:	
Special Note:	\$ <input type="text"/> USD	
Services	(\$25 USD Bid Increment)	
Inspectors Add to Watchlist	Estimated Delivery Cost:	Change Zip Code 44306 \$642.85 USD
<p>THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)</p> <p> Copart Member Protection Pledge</p> <p>Share / Save </p>		

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Top Picks for You

Lot # 22751734
[1988 CHEVROLET C...](#)
 MI - FLINT
 Current Bid: \$0.00
 Sale Date: 06/18/2014

Lot # 20766894
[1999 CHEVROLET S...](#)
 MI - DETROIT
 Current Bid: \$0.00
 Sale Date: 06/24/2014

Lot # 32668583
[2000 FORD F150](#)
 IN - INDIANAPOLI...
 Current Bid: \$0.00
 Sale Date: 07/22/2014

Lot # 24219143
[2003 CHEVROLET S...](#)
 AL - MONTGOMERY...
 Current Bid: \$0.00
 Sale Date: 07/17/2014

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Despite being given an estimated repair cost well in excess of its estimated retail value, this Chevrolet Silverado is exempted from branding due to Michigan's requirement to brand only vehicles manufactured in the current year or the five preceding years.

**Best Practice #4:
States Should Ensure that Insurers
and Other Owners are Not Given
the Latitude to Declare
Unwarranted Self-Exemptions
When Making Branding
Determinations**



Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.



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Pat. #7315832

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Lot # 27801343 - 2009 FORD RANGER

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[Glossary of Terms](#)



Lot Details	Highlights	Bid Information	
ACV: \$9,250 USD	 	Facility: CO - DENVER	
Repair Cost: \$0 USD		Sale Date: 11/12/13	
Title State/Type: CO CERTIFICATE OF TITLE		Sale Time: 12:00 PM MST	
Odometer: 0 NOT ACTUAL		Item # / Grid/Row: 2510 / CD023	
Primary Damage: FRONT END		Sales Status: Minimum Bid	
Secondary Damage: UNDERCARRIAGE		Bid Status: Never Bid	
VIN: 1FTYR10D79PA01684		Current Bid: \$325 USD	
Body Style: PICKUP		Your Maximum Bid:	
Color: WHITE		\$ USD	
Engine: 2.3L 4		(\$25 USD Bid Increment)	Want It Today?
Drive: REAR-WHEEL DRIVE		\$750 USD	
Cylinders: 4		Learn More	
Fuel: GAS			Estimated Delivery Cost: Change Zip Code
Keys: YES			44306
Special Note:			\$1,199.45 USD
Services 			
<p>THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)</p> <p style="text-align: center;"></p>			
<p>Share / Save </p>			

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Top Picks for You

- | | | | |
|--|---|---|--|
| <p>Lot # 29001893
2012 TOYOTA SIEN...
CO - DENVER
Current Bid: \$5,800.00
Sale Date: 11/12/2013</p> | <p>Lot # 27125953
2006 LAND ROVER...
CO - DENVER
Current Bid: \$2,800.00
Sale Date: 11/12/2013</p> | <p>Lot # 27068953
2003 BMW 325XI
CO - DENVER
Current Bid: \$475.00
Sale Date: 11/12/2013</p> | <p>Lot # 28466783
2002 FORD RANGER...
MT - BILLINGS
Current Bid: \$200.00
Sale Date: 11/13/2013</p> |
|--|---|---|--|

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NSVRP note: While this vehicle was not subject to Colorado's previous older than 5 year exclusion language on salvage branding, it has been assigned a clean title although it appears to have sustained enough damage to deserve a salvage brand to alert a future buyer of the prior extensive damage and there is no repair estimate. If a vehicle is a total loss it should require mandatory salvage branding. Furthermore, vehicles without a repair estimate should be required to be branded nonrepairable salvage and agency review and oversight in branding determination should be required.

NSVRP note: This vehicle has massive damage, yet has an estimated repair cost far below the true repair cost. The cost computes to be just below 75% of actual cash value (ACV), and consequently appears to have avoided being assigned a branded or salvage title.

This type of behavior is not unusual as there are many other such examples at these auctions. The repair cost was reported with a precision of two dollars - seemingly the result of a detailed valuation analysis. However, this vehicle is essentially un-repairable at any cost.



VEHICLE DETAILS	
Vehicle Detail	
Stock Number: 4164452	Branch: Jacksonville
Loss Type: FIRE	Year: 2007
Damage: TOTAL BURN	Vehicle: CHEVROLET TAHOE C1500
Make: CHEVROLET	Stock Number: 4164452
Start: WON'T START	Additional Vehicle Information
Model: TAHOE C1500	Body Style: WAGON 4 DOOR
Key: YES	Engine Size: 4.8L V8 SFI NS
Cert. State: Florida	Estimated Repair Cost: \$19,792.00
Odometer: 999999	ACV: \$26,925.00
Sale Document: REBUILDABLE	Driver Airbag: NONE
Odom.Status: BURNT	Passenger Airbag: NONE
Sale Document Brand:	Left Side Airbag: NONE
VIN: 1GNFC13C57R311126	Right Side Airbag: NONE
Sale Document Notes:	VIN Status: OK
Vehicle Status: READY FOR SALE	
Vehicle Rating:	
Item #: 364	

Live Auction:	8/19/2008 9:30:00
Online Bidding Close:	This auction is closed to pre-bidding. I-bid Live bidding begins at the time indicated.
Auction Type:	Open
Who Can Buy:	DEA ,DIS ,EXP ,LBU ,REB ,SCR

Note 4/8/13: There does not appear to be any export information or re-registration of this vehicle subsequent to the auction. Therefore this appears to be a case in which the insurer and the salvage auction abused the titling and branding system, but no criminal bought the vehicle to take advantage of the paperwork.

The estimated repair cost is not created by the salvage auction, but rather by the insurer that provided the total loss vehicle to be auctioned. Typically, the same insurer that produces the estimate and declares it a total loss, is the same entity to determine the estimated repair cost, and determines the title branding. Often, the returns on a vehicle at the auction are affected by the title status when the vehicle is auctioned off.

NSVRP note: This vehicle appears to be an insurance total loss vehicle with very substantial damage, but is showing as having an unbranded title. In order to protect the public this should be a non-repairable vehicle. In any event it is not exempted under CO's previous 5 year cutoff on branding, and at the least should have been a mandatory salvage branded vehicle. The current statute seems to leave the decision up to the owner or insurer to make that determination. There must be objective rules with the ultimate authority for review to be at the determination of the regulatory authority and not the owner or insurer.

Note: This vehicle appears to have been registered with a clean Utah title.



Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

LANE : A ITEM#: 544
Auction: Denver

Bid Live
In 1d 20h 8m
Wed, Nov 13, 10:30 AM CST

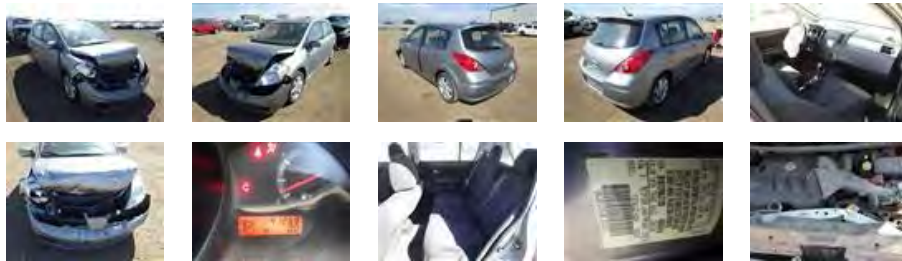
PRE BID 1d 20h 8m

BID

2011 NISSAN VERSA



000-11894687 09/10/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS



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+ WATCH

Stock# : 11894687
Sale Document : CLEAR(Colorado)

Loss: COLLISION
Primary: FRONT END
Secondary: MECHANICAL
Key: Present
Start Code: VEHICLE STARTS
Odometer: 41269
Odometer Status: ACTUAL

Fuel Type: Gasoline
Cylinders: 4 Cyl
Engine: 1.8L I4 FI DOHC 16V F4
Transmission: Unknown
Drive Line Type: Front Wheel Drive

Vehicle: Automobile
VIN: 3N1BC1CP6BL371235
VIN Status: OK
Body Style: HATCHBACK 4 DOOR
Vehicle Class: Non Luxury Traditional Sub Compact
Series: S/SL
Manufactured in: MEXICO
Exterior Color: SILVER
Interior Color: GRAY

Restraint System: Dual Front, Side & Head Airbags, Rear Head Airbags; Active Belts
Air Bags: 4
Driver/Passenger: DEPLOYED / INTACT
Left/Right Side: INTACT / INTACT

Features

CD Player: PRESENT
Estimated Repair Cost: \$11,384
Radio: PRESENT
Tape Deck: N/A

Sale Info

Auction [Denver](#) | Wednesday **Nov-13 10:30 AM CST**

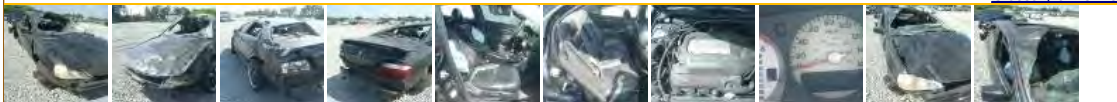
Status : READY FOR SALE
Location : Denver Branch
Item# : 544
Who Can Bid : Dealer, Dismantler, Exporter, Rebuilder, Scrapper
Seller : GEICO Insurance - ZVIC (FCC09) Dallas
ACV : \$13,688
Data Last updated : Nov-10 1:12 AM CST



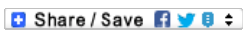


Lot # 21947760 - 2002 ACURA 3.2 TL TYP

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Lot Details	Highlights	Bid Information
ACV: \$13,000 USD	 	Facility: FL - ORLANDO
Repair Cost: \$0 USD		Sale Date: 11/18/10
Title State/Type: FL CERTIFICATE OF TITLE		Sale Time: 12:00 PM EDT
Odometer: 0 NOT ACTUAL		Item # / Grid/Row: 3053 / VIR01
Primary Damage: ROLLOVER		Sales Status: Sold
Secondary Damage: FRONT END		Bid Status: Never Bid
VIN: 19UUA56892A05115		<p>Notice: Sale has ended.</p>
Body Style: SEDAN 4DR		
Color: BLACK		
Engine: 3.2L 6		
Drive: FRONT-WHEEL DRIVE		
Cylinders: 6		
Fuel: GAS		
Keys: YES		
Special Note:		
Services 		
<p>THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL. (What this means)</p>		
		

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NSVRP note: A repair cost estimate of \$0 was assigned to this vehicle in Florida, allowing for this badly damaged Acura to be sold with a clean title. At the time, Florida law required a non-repairable title, or Certificate of Destruction, to be applied when the cost to repair is above 80%. Had this car been assigned an accurate estimated cost to repair, it certainly would have been required to receive a Certificate of Destruction.

2008 CHRYSLER PACIFICA



000-12238990 11/18/2013 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Richmond](#) | Friday [Mar-28](#)

8:30 AM CDT

Status : READY FOR SALE

Location : Richmond Branch

Lane A [Item#](#): 3185

Who Can Bid : Dealer, Dismantler, Exporter, Rebuilder, Scrapper

Seller : GEICO Insurance - ZVIC (FCC06) Virginia Beach

[ACV](#) : \$8,877

[Data Last updated](#) : Mar-27 1:27 AM CDT

Pre-Bidding Closes 21h 53m [Pre-bidding history](#)

[Stock#](#) : 12238990
[Sale Document](#) : CLEAR(Virginia)

Loss: FIRE
 Primary: ENGINE BURN
 Secondary:
 Key: Missing
 Start Code: ENGINE DAMAGE
 Odometer: 77092
 Odometer Status: BURNT

Fuel Type: Gasoline
 Cylinders: 6 Cyl
 Engine: 4.0L V6 SFI SOHC 24V NS4
 Transmission: Missing
 Drive Line Type: All-Wheel Drive

Vehicle: Automobile
 VIN: [2A8GF48X38R608093](#)
 VIN Status: OK
 Body Style: WAGON 4 DOOR
 Vehicle Class: Non Luxury Mid Size Cuv
 Series: LX
 Manufactured in: CANADA
 Exterior Color: BLUE
 Interior Color: GRAY

Features

CD Player: N/A
 Radio: N/A
 Tape Deck: N/A

NSVRP note: While there is no estimated repair cost indicated, this vehicle would certainly exceed Virginia's 90% non-repairable threshold. IAA reported the vehicle as received by them on or before 11/18/2013, meaning that this 2008 Pacifica should be considered a late model vehicle and should require non-repairable branding.

NMVTIS shows no brand information and this vehicle appears to have been issued a clean Virginia title in 2014.



Lot # 18580534 - 2000 FORD RANGER

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[Glossary of Terms](#)



Lot Details	Highlights	Bid Information
Est. Retail Value: \$0 USD	 	Facility: AR - FAYETTEVILLE
Est. Repair Cost: \$0 USD		Sale Date: 06/18/14
Title State/Type: AR CERTIFICATE OF TITLE		Sale Time: 12:00 PM CDT
Odometer: 91,123 EXEMPT		Item # / Grid/Row: 1124 / SB002
Primary Damage: FRONT END		Sales Status: On Approval
Secondary Damage: BIOHAZARDOUS/CHEMICAL		Bid Status: Never Bid
VIN: 1FTYR10C2YPA71776		Current Bid: \$0 USD
Body Style: PICKUP		Starting Bid: \$ <input type="text"/> USD (\$20 USD min)
Color: BLACK		Your Maximum Bid: \$ <input type="text"/> USD
Engine: 2.5L 4		
Drive: REAR-WHEEL DRIVE	Notice: As the first bidder, your starting bid will become the current bid and your maximum bid will be utilized by BID4U to incrementally bid on your behalf.	
Cylinders: 4		
Fuel: GAS	Estimated Delivery Cost: \$1,236.25 USD	
Keys: YES	Change Zip Code 44306	
Special Note:		
Services Inspectors Add to Watchlist		
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)		

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Top Picks for You



Lot # 16755354
[2000 FORD RANGER...](#)
 KY - LOUISVILLE...
 Current Bid: \$0.00
 Sale Date: 06/19/2014



Lot # 22295184
[2000 FORD RANGER...](#)
 PA - PITTSBURGH ...
 Current Bid: \$0.00
 Sale Date: 07/17/2014



Lot # 22565984
[2011 KIA OPTIMA...](#)
 KY - LOUISVILLE...
 Current Bid: \$0.00
 Sale Date: 06/19/2014



Lot # 19631984
[2009 CHRYSLER SE...](#)
 MS - JACKSON
 Current Bid: \$0.00
 Sale Date: 07/18/2014

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NSVRP note: This severely damaged vehicle appears to be exempted from branding due to Arkansas' model year cut-off.

Furthermore, the failure to perform an estimate should require that the vehicle be given the most severe level of branding as a non-repairable vehicle.



Lot # 12270124 - 2006 TOYOTA TACOMA PRE

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Lot Details	Highlights	Bid Information
ACV: \$15,425 USD		Facility: AR - FAYETTEVILLE
Repair Cost: \$10,797 USD		Sale Date: 03/19/14
Title State/Type: AR CERTIFICATE OF TITLE		Sale Time: 12:00 PM CDT
Odometer: 0 NOT ACTUAL		Item # / Grid/Row: 1113 / SE001
Primary Damage: ALL OVER		Sales Status: Minimum Bid
Secondary Damage: BIOHAZARDOUS/CHEMICAL		Bid Status: Never Bid
VIN: 5TEJU62N36Z164923		<h2>Current Bid: \$1,550 USD</h2>
Body Style: CREW PICKUP		
Color: BLUE		
Engine: 4.0L 6		
Drive: REAR-WHEEL DRIVE		
Cylinders: 6		
Fuel: GAS		
Keys: YES		
Special Note:	Your Maximum Bid:	
Services	\$ <input type="text"/> USD	
Inspectors Add to Watchlist	(\$50 USD Bid Increment)	
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)	Copart Member Protection Pledge	
Share / Save	Estimated Delivery Cost: Change Zip Code 44306 \$1,177.60 USD	
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Top Picks for You

- | | | | |
|---|--|---|---|
| <p>Lot # 14487404
 2006 TOYOTA TACO...
 NC - MEBANE
 Current Bid: \$1,100.00
 Sale Date: 03/19/2014</p> | <p>Lot # 16924004
 2005 TOYOTA TACO...
 TX - HOUSTON
 Current Bid: \$0.00
 Sale Date: 03/21/2014</p> | <p>Lot # 13215404
 2014 TOYOTA TACO...
 PA - PITTSBURGH ...
 Current Bid: \$2,050.00
 Sale Date: 03/25/2014</p> | <p>Lot # 15091154
 2006 TOYOTA TACO...
 CA - RANCHO CUCA...
 Current Bid: \$500.00
 Sale Date: 03/25/2014</p> |
|---|--|---|---|

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NSVRP note: This vehicle appears to be exempted from branding due to Arkansas' model year cut-off. However, the owner offering this vehicle for sale at auction also provided a repair estimate of 69.99%, just under the 70% salvage branding threshold for vehicles seven years of age and newer, ensuring the vehicle could retain a clean title.

Best Practice #5:
States Should Include a Flood Title
Brand Designation and Flood
Vehicles – Especially Those
Damaged by Salt Water – Should
be Considered Non-Repairable



2005 TOYOTA SCION



000-11786817 08/15/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) | Tuesday [Sep-24](#)10:30 AM CDT 

Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3045Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, Scrapper

Seller : USAA - SW1 (EDI)

[ACV](#) : \$7,734[Data Last updated](#) : Sep-22 1:12 AM CDTPre-Bidding Closes **23h 42m** [Pre-bidding history](#)[Current Bid](#): \$75[Stock#](#) : 11786817[Sale Document](#) : CLEAR(Colorado)

Loss:	WATER
Primary:	FLOOD
Secondary:	MECHANICAL
Key:	Present
Start Code:	WON'T START
Odometer:	112000
Odometer Status:	NOT ACTUAL

Fuel Type:	Gasoline
Cylinders:	4 Cyl
Engine:	2.4L L4 DOHC 16V
Transmission:	Unknown
Drive Line Type:	Front Wheel Drive

Vehicle:	Automobile
VIN:	JTKDE177250015742
VIN Status:	OK
Body Style:	HATCHBACK 2 DOOR
Vehicle Class:	Non Luxury Sport
Series:	TC
Manufactured in:	JAPAN
Exterior Color:	MAROON
Interior Color:	BLACK

Restraint System:	Dual Front Air Bags/active Belts
Air Bags:	4
Driver/Passenger:	INTACT / INTACT
Left/Right Side:	INTACT / INTACT

Features

CD Player :	PRESENT
Estimated Repair Cost :	\$6,973
Radio:	PRESENT
Tape Deck:	N/A

NSVRP note: This vehicle presently shows as a clean unbranded title vehicle. Such a vehicle does not have obvious physical damage, however as a flood car it is not reliable - especially given the claimed damage of almost \$7,000. Since the vehicle does not start, the insurance repair estimate is nothing more than a guess since, with a flood car, until it is taken apart to inspect, and until all failed components are diagnosed and identified via parts swapout, the true damage cannot be known. Furthermore, body shops do not have access to the diagnostic tools needed to identify component failures - only for physical damage replacement - and if this were brought to a manufacturer's dealership they could not even estimate the repair cost without first taking the vehicle apart. This is an expensive and time consuming process and could not be done by the insurer on this vehicle.

As a result of current law, this vehicle has legally retained a clean title. As public policy, this vehicle and others like it should be required to have a non-repairable flood branded title in order to protect the public from health and safety risks as well as financial harm.

NSVRP Note 6/2014: This vehicle appears to be registered in Idaho with a clean title.

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

2006 MERCEDES-BENZ E350



000-11970962 10/01/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) | Tuesday [Nov-5](#)

10:30 AM CST



Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3159Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, ScrapperSeller : GEICO Insurance - ZVIC (FCC09)
Dallas[ACV](#) : \$12,150[Data Last updated](#) : Nov-3 1:14 AM CST[Stock#](#) : 11970962[Sale Document](#) : CLEAR(Colorado)[Notes](#) : FLOOD DAMAGE

Loss:	WATER
Primary:	FLOOD
Secondary:	
Key:	Missing
Start Code:	CAN'T TEST
Odometer:	57690
Odometer Status:	ACTUAL

Fuel Type:	Gasoline
Cylinders:	6 Cyl
Engine:	3.5L V6 FI DOHC 24V F4
Transmission:	Unknown
Drive Line Type:	All-Wheel Drive

Vehicle:	Automobile
VIN:	WDBUF87J96X199559
VIN Status:	OK
Body Style:	SEDAN 4 DOOR
Vehicle Class:	Luxury Traditional Mid Size
Series:	4M AWD
Manufactured in:	GERMANY
Exterior Color:	GRAY
Interior Color:	BLACK

Restraint System:	Dual Air Bags Front, Head, And Side/active Belts/rear Dual Air Bags Side
-------------------	--

Air Bags:	4
Driver/Passenger:	INTACT / INTACT
Left/Right Side:	INTACT / INTACT

Features

CD Player:	PRESENT
Radio:	PRESENT
Tape Deck:	N/A

Pre-Bidding Closes 22h 11m [Pre-bidding](#)[history](#)[Current Bid](#): \$1,025

This is a middle year-model mid-size luxury vehicle that would appear to be a very attractive vehicle for reselling to the consumer. The vehicle is exempted from any branding because it is more than 5 model years old. A consumer would see it has a clean title and would be unaware of its flood loss history. There is no damage estimate posted on this auction site so there is no credible repair estimate provided.

This vehicle could be bought by a dealer, rebuilder or exporter and the dealer or rebuilder are typically purchasing for resale to the public. Under current law the public will see this as a vehicle with a clean unbranded Colorado title and be unprotected by the state from financial, health and safety harm that will result from buying a car that may be unreliable and subject to regular intermittent or permanent failures.

The law should require that this vehicle be given a flood/salvage or flood/non-repairable branding based upon the exact nature of the damage sustained, regardless of the age of the vehicle.

NSVRP note 6/2014: This vehicle appears to be registered with a clean Colorado title.

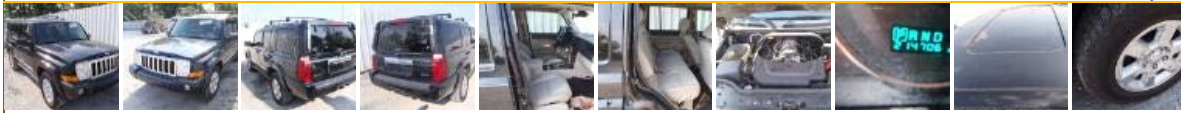
Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.



Lot # 26293573 - 2006 JEEP COMMANDER

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Lot Details	Highlights	Bid Information
ACV: \$12,049 USD	 	Facility: KY - LOUISVILLE
Repair Cost: \$0 USD		Sale Date: 09/19/13
Title State/Type: IN CERTIFICATE OF TITLE (P)		Sale Time: 10:00 AM EDT
Odometer: 214,706 ACTUAL		Item # / Grid/Row: 1122 / B030
Primary Damage: WATER/FLOOD		Sales Status: Minimum Bid
Secondary Damage: MINOR DENTS/SCRATCHES		Bid Status: Never Bid
VIN: 1J8HG58286C139018		Current Bid: \$0 USD
Body Style: 4DR SPORT UTILITY		Starting Bid:
Color: BLACK		\$ <input type="text"/> USD
Engine: 5.7L 8		(\$150 USD min)
Drive: FOUR BY FOUR	Your Maximum Bid:	
Cylinders: 8	\$ <input type="text"/> USD	
Fuel: GAS		
Keys: YES		
Special Note:		
Services Inspectors Add to Watchlist		Want It Today? Buy It Now Learn More -or- Make Offer Learn More
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means) Copart Member Protection Pledge		Notice: As the first bidder, your starting bid will become the current bid and your maximum bid will be utilized by BID4U to incrementally bid on your behalf.
+ Share / Save		Estimated Delivery Cost: Change Zip Code 44306 \$734.85 USD

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Lot # 22587093
[2006 JEEP COMMAN...](#)
 VA - RICHMOND EA...
 Current Bid: \$200.00
 Sale Date: 09/20/2013

Lot # 26132693
[2008 JEEP COMMAN...](#)
 MI - IONIA
 Current Bid: \$0.00
 Sale Date: 09/20/2013

Lot # 26520273
[2006 JEEP COMMAN...](#)
 CT - HARTFORD
 Current Bid: \$4,950.00
 Sale Date: 09/19/2013

Lot # 24679893
[2006 JEEP COMMAN...](#)
 MA - NORTH BOSTO...
 Current Bid: \$0.00
 Sale Date: 09/20/2013

NSVRP note: This vehicle is excluded from branding due to Indiana's exemption of vehicles manufactured within the last seven model years, including the current model year. The flood-damaged vehicle is apparently being offered for sale with a clean title in Kentucky. While the purchaser at auction will see the flood damage notation, without a salvage or flood brand, there will be no way for a subsequent buyer to know the true damage history of this vehicle.

**Best Practice #9:
States Should Require In-State
Title Paperwork Before
Allowing the Sale of Vehicles
by Salvage Auctions**



Insurance Auto Auctions

NSVRP Note 6/2014: This vehicle appears to have been registered with a clean NY title.

2000 HONDA ACCORD

000-10545332 11/15/2012 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction Central New Jersey

Wednesday **Nov-21 8:00 AM CST** 

Status : READY FOR SALE

Location : Central New Jersey Branch

Lane A **Item#:** 3128

Who Can Bid : Dealer, Dismantler, Exporter, Other Licensed Business, Rebuilder, Scrapper

ACV : \$3,750

Data Last updated : Nov-21 1:32 AM CST

This auction is closed to pre-bidding. I-bid Live bidding begins at the time indicated.

Stock# : 10545332

Sale Document : CLEAR(New York)

Loss: OTHER
Primary: FLOOD
Secondary:
Key: Present
Start Code: WONT START
Odometer: 73200
Odometer Status: INOPERABLE DIGITAL DASH

Fuel Type: Gasoline
Cylinders: 4 Cyl
Engine: 2.3L L4 SFI OHV S
Transmission: Automatic
Drive Line Type: Front Wheel Drive

Vehicle: Automobile
VIN: 1HGCG6651YA148390
VIN Status: OK
Body Style: SEDAN 4 DOOR
Vehicle Class: Upper Midsize (car)
Series: LX
Manufactured in: UNITED STATES
Exterior Color: BLACK
Interior Color: GRAY

Restraint System: Dual Front Air Bags/active Belts
Air Bags: 2
Driver/Passenger: INTACT / INTACT

Features

CD Player: PRESENT
Radio: PRESENT
Tape Deck: PRESENT

NSVRP note: Here is an insurance total loss car from Hurricane Sandy whose acquisition by the insurer was not reported to the title state. The actual loss also took place in the same state jurisdiction as the title jurisdiction (NY).

The vehicle was moved to a second state (NJ) where it was auctioned off under the original insured clean title paperwork without affecting a transfer, and apparently without reporting to the state that the total-loss ownership transfer had taken place.

The auction noted the flood condition on its website, and would certainly have been aware that the vehicle was in the possession of the insurer who would be the recipient of any proceeds from the auction sale. The auction company also operates in both NY and NJ and would be well aware of the applicable laws as a knowledgeable entity in the business. While the insurer could use its 5 year reporting exemption to avoid NMVTIS reporting, the auction has no such exemption and failed to report their acquisition of the vehicle to NMVTIS as required by federal law.

Once resold, there would apparently be no official title or branding information on file with any jurisdiction as to title branding or prior intermediate ownership by an insurer for this flood loss. Once this auction listing is no longer available to the public (typically the end of the business day of the auction) there would be only a very limited access for the public to research the true history of this vehicle.



Lot # 27858093 - 2003 TOYOTA CAMRY LE/X

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Lot Details ACV: \$7,200 USD Repair Cost: \$0 USD Title State/Type: NC CERTIFICATE OF TITLE Odometer: 0 EXEMPT Primary Damage: ALL OVER Secondary Damage: VIN: 4T1BE32K53U258551 Body Style: SEDAN 4DR Color: BLACK Engine: 2.4L 4 Drive: FRONT-WHEEL DRIVE Cylinders: 4 Fuel: GAS Keys: NO Special Note:	Highlights 	Bid Information Facility: CT - HARTFORD Sale Date: 10/15/13 Sale Time: 10:00 AM EDT Item # / Grid/Row: Sales Status: Minimum Bid Bid Status: Never Bid <div style="text-align: center; font-size: 1.2em; font-weight: bold;">Current Bid: \$125 USD</div> Your Maximum Bid: \$ <input type="text"/> USD (\$25 USD Bid Increment) <div style="float: right; text-align: center;"> </div> Estimated Delivery Cost: <div style="float: right; text-align: center;"> Change Zip Code 44306 \$786.60 USD </div>
Services <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Inspectors </div> <div style="text-align: center;"> Add to Watchlist </div> </div> <p>THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Share / Save </div> <div style="text-align: center;"> Copart Member Protection Pledge </div> </div>		
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NSVRP note: We have found many cases where vehicles are taken out of state to bypass mandatory branding requirements in the title state and to resell them in another jurisdiction under a pre-loss or pre-accident title in that second state. This process enables the party to avoid meeting the title transfer and branding requirements in the title state by failing to report the transaction to the title state. It also then allows the seller to sell under a clean title since the jurisdiction of the resale state often deems it has no jurisdictional authority to apply title and branding standards to an out of state vehicle.

While this vehicle is an example of a collision wreck, we have seen hundreds of examples where insurers and others have used this with Hurricane Sandy vehicles to avoid mandatory branding of total-loss flood vehicles by transferring a flood loss vehicle out-of-state without first branding the vehicle.

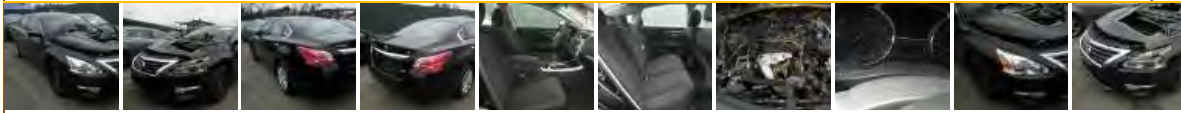
NSVRP believes that at a minimum states should not allow out of state clean title vehicles at an auction in their jurisdictions to avoid this type of title branding avoidance. Even better would be a prohibition on allowing the resale of vehicles of any kind in a state under out-of-state paperwork.



Lot # 16843024 - 2013 NISSAN ALTIMA 2.5

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Lot Details	Highlights	Bid Information	
Est. Retail Value: \$17,600 USD	 	Facility: MD - BALTIMORE	
Est. Repair Cost: \$10,181 USD		Sale Date: 04/28/14	
Title State/Type: VA CERTIFICATE OF TITLE		Sale Time: 10:00 AM EDT	
Odometer: 0 NOT ACTUAL		Item # / Grid/Row: 501 / P040	
Primary Damage: BURN		Sales Status: On Approval	
Secondary Damage: MINOR DENTS/SCRATCHES		Bid Status: Never Bid	
VIN: 1N4AL3APXDN568084		Current Bid: \$0 USD	
Body Style: SEDAN 4D		Starting Bid:	
Color: BLACK		\$ <input type="text"/> USD	
Engine:		(\$300 USD min)	Your Maximum Bid:
Drive:		\$ <input type="text"/> USD	
Cylinders:			
Fuel:			
Keys: EXM			
Special Note:			
Services Inspectors Add to Watchlist			
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means) Copart Member Protection Pledge			
+ Share / Save			
Notice: As the first bidder, your starting bid will become the current bid and your maximum bid will be utilized by BID4U to incrementally bid on your behalf.			
Estimated Delivery Cost: Change Zip Code 44306 \$642.85 USD			

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NSVRP note: This vehicle was offered for sale in Maryland with a clean Virginia title. The estimate appears to be incomplete as visual review of this vehicle's auction listing shows that the hood and firewall metal has extensive fire damage, has lost its temper and is no longer viable, in addition to the fact that the vehicle would require a new engine and wiring, etc. Given the visible damage, it is likely to exceed the 90% threshold had it been fully documented using a collision estimating system damage appraisal and would have qualified for a non-repairable brand. If the vehicle was acquired by an insurance company as part of a claims process, it would be required to carry at least a salvage (repairable) brand.

2010 MAZDA 3



000-12279139 11/19/2013 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Stock# : 12279139
 Sale Document : CLEAR(Arkansas)
 Notes : BRANDED FLOOD

Loss: OTHER
 Primary: FLOOD
 Secondary: LEFT & RIGHT
 Key: Unknown
 Start Code: CAN'T TEST
 Odometer: 999999
 Odometer Status: INOPERABLE DIGITAL DASH

Fuel Type: Gasoline
 Cylinders: 4 Cyl
 Engine: 2.0L I4 FI DOHC 16V F4
 Transmission: Unknown
 Drive Line Type: Front Wheel Drive

Vehicle: Automobile
 VIN: JM1BL1SF0A1127396
 VIN Status: OK
 Body Style: SEDAN 4 DOOR
 Vehicle Class: Non Luxury Traditional Compact
 Series: MAZDA3I
 Manufactured in: JAPAN
 Exterior Color: GRAY
 Interior Color: BLACK

Restraint System: Dual Front, Side & Head Airbags, Rear Head Airbags; Active Belts
 Air Bags: 4
 Driver/Passenger: INTACT / INTACT
 Left/Right Side: DEPLOYED / INTACT

Features

CD Player: PRESENT
 Radio: PRESENT
 Tape Deck: N/A

Auction [Northern New Jersey](#) | Monday

Dec-16 8:00 AM CST

Status : READY FOR SALE

Location : Northern New Jersey Branch

Lane A Item#: 3024

Who Can Bid : Dealer, Dismantler, Exporter, Other Licensed Business, Rebuilder, Scraper

ACV : \$8,650

Data Last updated : Dec-12 1:28 AM CST

I-BUY FAST **\$3,400** Closes in 2d 10h 40m CDT

Pre-Bidding Closes 2d 21h 40m [Pre-bidding history](#)

NSVRP note: This vehicle is not excluded from branding in Arkansas due to its model year and it appears to meet the definition of water damage that would require the vehicle to be branded as salvage. However, it appears that it is being offered for sale at a New Jersey auction with a clean title. While the auction listing notes that this vehicle has been branded as a flood vehicle, NMVTIS carries no brand or salvage information. If a damaged and unbranded vehicle is offered for sale by an auction in a state that exempts that vehicle from branding, or if such a vehicle is transferred to auction in another state, it can be offered for sale without a branded title. NSVRP recommends that vehicle sales transactions require in-state titles for resale in that state by any entity. If an owner wishes to resell a vehicle with an out-of-state title, the owner should first have to transfer the title from out-of-state to an in-state title, in the owner's name, before being able to resell the vehicle in that state, and all brands from other states should carry forward.

**Best Practice #10:
NMVTIS Reporting Violations
Should also be a Violation of State
Law and States Should Require
Reporting on an Accelerated
Timeframe**



NSVRP note: This vehicle was offered for sale under a bill of sale for parts only. However, at the time of the auction the insurer appears to not have submitted the title paperwork to Colorado prior to the sale so at the time of the sale the vehicle is still recorded as a clean title car presumably still owned by the prior insured. As such, once the sale has been completed, the buyer might be able to export the vehicle or apply for a new title in a different state or apply for a lost title or a mechanics lien and do so before Colorado was aware that the title should have been retired.



This vehicle has been reported as crushed.

[EMAIL](#) [PRINT](#)

LANE : A ITEM#: 3130
Auction: Denver

Bid Live
In 1d 21h 8m
Wed, Nov 13, 10:30 AM CST

PRE BID 1d 21h 8m

BID

2003 CHEVROLET TRAILBLAZER



SHRINK WRAP

+ WATCH

Stock# : 12105582
Sale Document : BILL OF SALE(Colorado)
Brand : PARTS ONLY
Notes : PARTS ONLY

Loss: COLLISION
Primary: REAR
Secondary: SUSPENSION
Key: Present
Start Code: WON'T START
Odometer: 207487
Odometer Status: NOT REQUIRED/EXEMPT

Fuel Type: Gasoline
Cylinders: 8 Cyl
Engine: 5.3L V8 MPI OHV NM
Transmission: Automatic
Drive Line Type: Four Wheel Drive

Vehicle: Automobile
VIN: 1GNET16P936241264
VIN Status: OK
Body Style: WAGON 4 DOOR
Vehicle Class: Non Luxury Mid Size Suv
Series: EXT
Manufactured in: UNITED STATES
Exterior Color: BLACK
Interior Color: BLACK

Restraint System: Dual Front Air Bags/active Belts
Air Bags: 2
Driver/Passenger: INTACT / INTACT

Features

CD Player: PRESENT
Radio: PRESENT
Tape Deck: N/A

000-12105582 10/21/2013 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS



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Sale Info

Auction [Denver](#) | Wednesday **Nov-13 10:30 AM CST**

Status : READY FOR SALE
Location : Denver Branch
Item# : 3130
Who Can Bid : Dealer, Dismantler, Rebuilder, Scrapper
Seller : Progressive Casualty Insurance - CO - Denver
ACV : \$5,416
Data Last updated : Nov-10 1:14 AM CST

2010 MERCEDES-BENZ C300



000-11794235 08/14/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) | Tuesday [Oct-15](#)10:30 AM CDT 

Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3044Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, ScrapperSeller : American Family Insurance -
Denver Claim Office (16) - ACH[ACV](#) : \$29,964[Data Last updated](#) : Oct-13 1:11 AM CDTPre-Bidding Closes **23h** [Pre-bidding history](#)[Current Bid](#): \$125[Stock#](#) : 11794235[Sale Document](#) : CLEAR(Colorado)[Notes](#) : FLOOD DAMAGE

Loss:	WATER
Primary:	FLOOD
Secondary:	MECHANICAL
Key:	Present
Start Code:	WON'T START
Odometer:	50856
Odometer Status:	NOT ACTUAL

Fuel Type:	Gasoline
Cylinders:	6 Cyl
Engine:	3.0L V6 FI DOHC 24V F4
Transmission:	Automatic
Drive Line Type:	All-Wheel Drive

Vehicle:	Automobile
VIN:	WDDGF8BB2AF444463
VIN Status:	OK
Body Style:	SEDAN 4 DOOR
Vehicle Class:	Luxury Traditional Compact
Series:	4 MATIC
Manufactured in:	GERMANY
Exterior Color:	WHITE
Interior Color:	TAN

Restraint System:	Dual Front, Side & Head Airbags, Rear Head Airbags; Active Belts
Air Bags:	4
Driver/Passenger:	INTACT / INTACT
Left/Right Side:	INTACT / INTACT

Features

CD Player :	PRESENT
Estimated Repair Cost :	\$28,715
Radio:	PRESENT
Tape Deck:	PRESENT

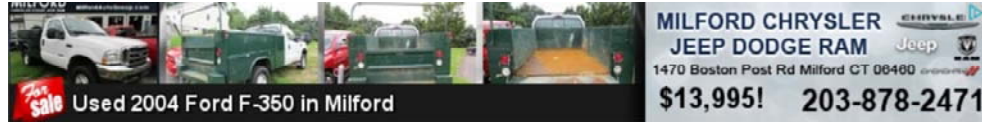
NSVRP note: This is a late model luxury compact that would appear to be a very attractive vehicle for reselling to the consumer. The vehicle is not exempted from any branding yet it seemed to have a clean title at the time of the auction. Only a few weeks after the auction did it get branded as salvage even though it had been in the possession of the insurer and the auction since 8/10/2013. The damage estimate posted on this auction site is essentially the same as the ACV of the vehicle so from a public policy point of view it should be a non-repairable vehicle .

By delaying the submission of the paperwork to Colorado until after it has been sold as a clean title unbranded car one could reasonably expect that this could have had an impact on the pricing obtained for this vehicle by the insurer and the auction.

This vehicle with its clean title listing at the time of the auction could be bought by a dealer, rebuilder or exporter and the dealer or rebuilder are typically purchasing for resale to the public.

The law should require that this vehicle be given a flood/salvage or flood/non-repairable branding based upon the exact nature of the damage sustained. The paperwork must be submitted by the insurer immediately to the state and it should not be allowed for the auction to sell the vehicle without the up to date paperwork.

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USED 2012 NISSAN SENTRA



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Details

Price & Mileage	\$12,999 11,028 miles	 \$175/mo Pre-Qualify Instantly!
Body	Sedan Blue <input type="checkbox"/> Gray <input type="checkbox"/>	
Engine	4 Cyl 2WD Automatic	
Fuel	Gasoline AVG 30 CITY 27 HWY 34	
Loc & Info	Miami, Florida VIN 3N1AB6AP9CL724387	

Options

- | | |
|----------------------------|-------------------|
| AM/FM | Air Conditioning |
| Anti-lock Brakes | CD (Single Disc) |
| Cruise Control | Fog Lights |
| Front Airbags (Dual) | Navigation System |
| Power Locks | Power Seat (Dual) |
| Power Steering | Power Windows |
| Premium Wheels | Sun/Moonroof |
| Traction/Stability Control | |

NSVRP note: This Hurricane Sandy flood damaged vehicle was offered for sale in an online New Jersey auction on Nov. 29, 2012. While the original listing has been purged from the salvage auction website, the summary information collected and housed by NSVRP during our monitoring clearly shows that this 2012 Nissan Sentra was offered for sale with a clear, unbranded title despite the notation of flood damage. The original owner was a national rental car fleet operator and the vehicle was a NY titled car that appears to have been required to have its original title surrendered and to be issued an MV-907a salvage certificate for resale. In addition, the rental fleet owner was obligated to report the total-loss flood into NMVTIS and did not do so. The vehicle was transferred from NY to NJ and offered for sale at a NJ location of the auction company under improper NY clean title paperwork. NSVRP has identified approximately 50 other total-loss flood loss vehicles from this same rental car company which were also resold under clean titles and which were not reported into NMVTIS either by the rental car company or by the salvage auction company even though both were required to report into NMVTIS. The intermediate buyer that purchased the vehicle for resale then offered this flood-damaged vehicle for sale as prime vehicle for about \$12,000. Flood cars often do not have physical impact damage, and so can be cleaned and buffed to appear to be in great shape when they in fact are unreliable and subject to continual failure problems. This vehicle appears to have been re-titled in Florida on 4/9/13 with no brand history.

**Best Practice #11:
States Must Clearly and Broadly
Define When Title Transfer and
Title Branding are Required and
Violations of the Federal Odometer
Act should also be Considered
Violations of State Law**





Lot # 28564782 - 2007 FORD F-150

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Lot Details	Highlights	Bid Information
ACV: \$15,000 USD	 	Facility: NY - NEWBURGH
Repair Cost: \$0 USD		Sale Date: 12/20/12
Title State/Type: NY CERTIFICATE OF TITLE		Sale Time: 12:00 PM EST
Odometer: 0 NOT ACTUAL		Item # / Grid/Row: 1126 / 2C60
Primary Damage: WATER/FLOOD		Sales Status: On Approval
Secondary Damage:		Bid Status: Never Bid
VIN: 1FTRF12217NA67326		<p>Virtual Auction In Progress Join the VB2 Auction and bid on this item! Starting Bid: \$400 USD</p>
Body Style: PICKUP		
Color: YELLOW		
Engine: 4.2L 6		
Drive: REAR-WHEEL DRIVE		
Cylinders: 6		
Fuel: GAS		
Keys: YES	Estimated Delivery Cost: Change Zip Code	
Special Note:		
Services Pre-approval Information Add to Watchlist		
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NSVRP note: Here is an example of a self-insured fleet being exempted from branding as a result of there being no transfer in ownership to trigger a branding decision before the time of auction. If the auction buyer is a dealer not required to retitle in their name or not required to brand before reselling, (or is an out of state buyer), a subsequent buyer could routinely be unaware of the prior loss condition of the vehicle.

In theory, a statute could require the auction acting as agent for the seller to be legally obligated to the same requirement if they resell a vehicle as an agent when that vehicle is required to have been branded. Here they knew it was a flood vehicle, noted it as such on the auction site, and yet it was not assigned a NY MV-907a salvage certificate as appears may have been required under NY law. Such a provision could greatly reduce these abuses.

This vehicle appears to have been registered with a clean title and a "not actual" odometer reading in Florida.



Lot # 28178942 - 2009 HONDA ACCORD LX

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Lot Details ACV: \$11,000 USD Repair Cost: \$0 USD Title State/Type: NY CERTIFICATE OF TITLE Odometer: 0 NOT ACTUAL Primary Damage: WATER/FLOOD Secondary Damage: VIN: 1HGCP26389A102967 Body Style: SEDAN 4DR Color: BLACK Engine: 2.4L 4 Drive: FRONT-WHEEL DRIVE Cylinders: 4 Fuel: GAS Keys: YES Special Note:	Highlights 	Bid Information Facility: NJ - GLASSBORO EAST Sale Date: 12/11/12 Sale Time: 12:00 PM EST Item # / Grid/Row: 5037 / SF001 Sales Status: On Approval Bid Status: Never Bid Notice: Sale has ended.
Services 		
THIS VEHICLE IS BEING SOLD AS "AS-IS, WHERE-IS" ALL BIDS ARE BINDING AND ALL SALES ARE FINAL (What this means)		
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NSVRP note: This vehicle was a Hurricane Sandy flood loss vehicle. Although it likely should have required a NY salvage certificate to be applied for, and the auction company should have been aware of the MV-907a salvage certificate requirement, it was auctioned at one of their NJ facilities under a NY clean title. Based upon the NMVTIS reporting it does not look as if any title transfer was done since April 2012 until several months after the flood which took place on 10-29-2012.

The vehicle was not reported into NMVTIS by the auction even though it appears to have been required by law.

If this was an insured vehicle, then the insurer should have been required to retitle the vehicle in their name as well as applying for a NY MV-907a salvage certificate. The vehicle would also have required NMVTIS reporting by an insurer.

As a vehicle less than 10 model years old, any transfers would also be subject to Federal Odometer recording requirements.

The vehicle eventually was exported. Depending upon the exporting party this could be an example of where the resale under a clean title both enhanced the return for the seller and the auction and could have enabled an international crime-affiliated group to profit through a subsequent fraudulent act on reselling a flood vehicle without any need for disclosure.

Insurance Auto Auctions**2006 TOYOTA CAMRY**

000-10608791 11/27/2012 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Central New Jersey](#)Wednesday **Dec-5 8:00 AM** CST **Status :** READY FOR SALE**Location :** Central New Jersey Branch**Lane A** **Item#:** 3010**Who Can Bid :** Dealer, Dismantler, Exporter, Other Licensed Business, Rebuilder, Scrapper**ACV :** \$7,250**Data Last updated :** Dec-4 1:33 AM CST**Stock# :** 10608791**Sale Document :** CLEAR(New York)

Loss:	OTHER
Primary:	FLOOD
Secondary:	
Key:	Present
Start Code:	WON'T START
Odometer:	12960
Odometer Status:	ACTUAL

Fuel Type:	Gasoline
Cylinders:	4 Cyl
Engine:	2.4L L4 FI DOHC 16V NF
Transmission:	Unknown
Drive Line Type:	Front Wheel Drive

Vehicle:	Automobile
VIN:	4T1BE32K06U690193
VIN Status:	OK
Body Style:	SEDAN 4 DOOR
Vehicle Class:	Upper Midsize (car)
Series:	LE/XLE/SE
Manufactured in:	UNITED STATES
Exterior Color:	SILVER
Interior Color:	GRAY

Restraint System:	Dual Front Air Bags/active Belts
Air Bags:	2
Driver/Passenger:	INTACT / INTACT

Features

CD Player:	PRESENT
Radio:	PRESENT
Tape Deck:	N/A

Pre-Bidding Closes **20h 20m** [Pre-bidding histor](#)
Current High Pre-Bid: **\$100** (Not You)

NSVRP note: The typical auction listing for Hurricane Sandy cars often does identify to the bidder that the vehicle is a flood car at the time of the auction, proving that both the potential buyers and the auction companies are aware of the flood status of these vehicles. The auction listing also typically indicates to bidders which cars are being offered with clean titles. NSVRP has identified many cars like this 2006 Camry with clean titles despite flood-damage notes and has found that many of these documented Hurricane Sandy flood cars which were noted as water/flood cars in the auctions' descriptive paperwork are not showing as salvage or total loss vehicles in NICB VinCheck, NMVTIS, CARFAX or other sources, as is the case with this 2006 Camry. We have also found that the auctions themselves seem to be purging their public access to their online auction listings once the auctions have ended, making it nearly impossible for a consumer to recognize when they have bought a flood-damaged vehicle.

It appears that the major insurer who paid the total loss claim to the vehicle's original owner did not have a New York State MV-907a salvage certificate issued for the vehicle, as required by state law. At the time of the sale, the insurance company apparently omitted itself from the chain of title by avoiding making certain disclosures, therefore violating the Federal Odometer Act. It appears that this Camry reentered the used car marketplace as it seems to have been retitled in Pennsylvania on 2/21/13, and again on 3/25/13. It was likely purchased by an unsuspecting buyer whose only way of knowing that it was a flood-damaged total loss vehicle would be disclosure of known prior history by the seller.

**Best Practice #13:
States Should Prohibit the Sale of
Vehicles on Bills of Sale and
Require All Sales of Vehicles to Be
Accompanied by a State-Issued
Document, Such as a Certificate
of Title, a Salvage Certificate of
Title or a Certificate of Destruction**



2012 INFINITI G37

000-11964920 09/16/2013 COPYRIGHT 2012 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) Wednesday [Oct-2](#)10:30 AM CDT 

Status : READY FOR SALE

Location : Denver Branch

Lane A Item#: 3107Who Can Bid : Dealer, Dismantler, Rebuilder,
ScrapperACV : \$35,002Data Last Oct-2 1:29 AM CDTupdated :Pre-Bidding **Closed** [Pre-bidding history](#)Current Bid: **\$1,625**Stock# : 11964920Sale Document : BILL OF SALE(Colorado)Brand : PARTS ONLYNotes : BILL OF SALE

Loss: WATER
Primary: FLOOD
Secondary: MECHANICAL
Key: Present
Start Code: WON'T START
Odometer:
Odometer Status: INOPERABLE DIGITAL DASH

Fuel Type: Gasoline
Cylinders: 6 Cyl
Engine: 3.7L V6 FI DOHC 24V F4
Transmission: Automatic
Drive Line Type: All-Wheel Drive

Vehicle: Automobile
VIN: [JN1CV6AR5CM974507](#)
VIN Status: OK
Body Style: SEDAN 4 DOOR
Vehicle Class: Luxury Traditional Compact
Series: AWD
Manufactured in: JAPAN
Exterior Color: WHITE
Interior Color: BEIGE

Restraint System: Dual Front, Side & Head Airbags,
Rear Head Airbags; Active Belts
Air Bags: 4
Driver/Passenger: INTACT / INTACT
Left/Right Side: INTACT / INTACT

Features

CD Player: PRESENT
Radio: PRESENT
Tape Deck: N/A

NSVRP note: this 2012 Infiniti was auctioned after the summer/fall 2013 Colorado floods at the IAA Denver auction location under a bill of sale. Even though a vehicle less than 5 model years old can be assigned a salvage title, this was not done. Instead, the vehicle was offered under a bill of sale and noted as parts only. However, such a transaction under a bill of sale has not been recorded with any jurisdiction and the last title is therefore the last official recorded status of the vehicle. In this case, the vehicle was purchased for \$5,100 plus fees and transportation costs by an out-of-state buyer.

At the time of initial loss this was actually a Hurricane Sandy flood loss vehicle that was properly assigned a NY salvage certificate. The actual posting of the MV-907a brand only took place apparently on 2-4-2013 according to the NY title records. It was first auctioned for the insurer at a NJ IAA salvage auction. It then was transferred to Texas where it was relisted in a minimum of four IAA Dallas Texas salvage auctions still showing the MV-907a paperwork. In each case there were bids on the vehicle, but the owner was apparently not willing to accept the highest bid amounts, including an initial pre-bid on the 5-4-2013 Dallas auction of \$4,500.00. The vehicle then was transferred to Denver where it was listed at this IAA salvage auction this time under a bill of sale eliminating the disclosure of the NY salvage certificate. It was finally resold at one of the Denver auctions for \$5,100 plus fees and transportation to a Nebraska used car dealer. How the vehicle will be reported and handled by this purchaser is being checked - but at the time of sale the buyer may not have been aware of the NY MV-907a salvage certificate since it was not listed at auction, and as a Nebraska business may have expected to be able to ignore an undocumented CO bill of sale parts only limitation on their usage of the vehicle in Nebraska.

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

2011 CHEVROLET SILVERADO



000-12223241 11/07/2013 COPYRIGHT 2013 - INSURANCE AUTO AUCTIONS

Auction [Denver](#) | Tuesday [Nov-26](#)

10:30 AM CST 

Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3143

Who Can Bid : [Dealer](#), [Dismantler](#), [Rebuilder](#),
Scrapper

[ACV](#) : \$36,742

[Data Last updated](#) : Nov-26 1:30 AM CST

Pre-Bidding [Closed](#) [Pre-bidding history](#)

Current Bid: **\$725**

[Stock#](#) : 12223241

[Sale Document](#) : BILL OF SALE(Colorado)

Brand : PARTS ONLY

Notes : BILL OF SALE PARTS ONLY-FLOOD DAMAGE

Loss: WATER
Primary: FLOOD
Secondary: ALL OVER
Key: Missing
Start Code: CAN'T TEST
Odometer: 1
Odometer Status: NOT ACTUAL

Fuel Type: Diesel
Cylinders: 8 Cyl
Engine: 6.6L V8 DIR OHV 32V S4
Transmission: Automatic
Drive Line Type: Four Wheel Drive

Vehicle: Automobile
VIN: [1GC5K0C82BZ176838](#)
VIN Status: OK
Body Style: 4 DOOR EXT CAB PK
Vehicle Class: Non Luxury Full Size 3 Qtr To 1
Ton Pickup
Series: K3500 LT
Manufactured in: UNITED STATES
Exterior Color: BLACK
Interior Color: BLACK

Restraint System: Dual Air Bags Front/active Belts
With Passenger Side
Deactivation/cutoff Switch
Air Bags: 2
Driver/Passenger: INTACT / INTACT

[Features](#) CD Player: PRESENT
Radio: PRESENT
Tape Deck: N/A

NSVRP note: This vehicle is less than 6 model years old at the time of loss so it is subject to the mandatory branding in Colorado even before branding exemptions for older vehicles were removed, yet it appears to still have a clean title. Based upon information available it appears the vehicle was processed by the insurer as a total loss on or about 9/12/2013. However, it does not appear that any official title reporting was done to that effect, nor does it appear that any ownership transfers were reported showing a transfer of title from a prior insured with a Vermont registration as of 1/24/2013. According to Colorado Department of Revenue as of 12/5/2013 it was not reported to Colorado in any way either for titling or branding or as a total-loss. It is also being made available for bidding by dealers - which would include used car dealers and seems to be inappropriate for a vehicle only useful to buy only for parts or scrap.

From the NMVTIS reporting, the loss appears to have been reported into NMVTIS by Progressive Insurance as a salvage vehicle on or about 10/6/2013, yet it does not show in NMVTIS as having been branded with the State of Colorado as salvage or junk as of 12/2/2013 even though seemingly required under state law. The vehicle was listed for auction scheduled for the Denver IAA 11/26/2013 auction under a Colorado Bill of Sale, still apparently under a clean VT title - presumably in the name of the prior owner which would also appear to be a title skipping violation of the Federal Odometer Act according to guidance from NHTSA's Office of General Counsel issued to insurers (including Progressive) in December 2012.

The vehicle had been relisted at the same Denver IAA auction for a 12/3/2013 auction. While not conclusive, a relisting often implies that any bids submitted at a prior auction were rejected by the seller (often for being deemed inadequate). Determining the actual events will require investigation by the appropriate regulatory authority. (Note a winning bid of \$650 made at the 12/3/2013 auction was also declined and it is now relisted for a third time for the IAA Denver auction scheduled for Tuesday 12/10/2013.

Under Colorado guidelines, unless the title had previously been turned in to the state to be retired a sale under a bill of sale process is not allowed. If this vehicle is purchased at this auction under a bill of sale, the most current official state records will still show no in-state activity for this vehicle and will still show as having a clean Vermont title - presumably still in the name of the prior insured.

This would appear to violate the guidelines issued by the NHTSA General Counsel office to the insurers that this may violate the Federal Odometer Act if it is an instance of title skipping. In addition, the buyer at auction could go to a jurisdiction and apply for a lost/duplicate title as if they are the owner of record and have a replacement clean title issued since the last document on record seems to be a clean title and there is no officially filed branded title document or junking certificate on file with any jurisdiction.

NSVRP best practices are that no vehicle should be sold under a bill of sale, that all ownership transfers must be recorded with the state before any subsequent sale can be made, that auctions cannot offer salvage for sale under out of state titles, and that there should be no branding exemptions to enable total-loss vehicles from having branding reported.

2004 FORD EXPLORER

Auction [Denver](#) | Tuesday [Nov-5](#)10:30 AM CST 

Status : READY FOR SALE

Location : Denver Branch

Lane A [Item#](#): 3169Who Can Bid : Dealer, Dismantler, Exporter,
Rebuilder, ScrapperSeller : GEICO Insurance - ZVIC (FCC09)
Dallas[ACV](#) : \$5,350[Data Last updated](#) : Nov-3 1:14 AM CSTPre-Bidding Closes [22h 6m](#) [Pre-bidding history](#)

 Stock# : 11974698
 Sale Document : CLEAR(Colorado)
 Notes : FLOOD DAMAGE

Loss:	WATER
Primary:	FLOOD
Secondary:	
Key:	Present
Start Code:	CAN'T TEST
Odometer:	150056
Odometer Status:	ACTUAL

Fuel Type:	Gasoline
Cylinders:	8 Cyl
Engine:	4.6L V8 FI SOHC 16V NF2
Transmission:	Automatic
Drive Line Type:	Four Wheel Drive

Vehicle:	Automobile
VIN:	1FMDU74W44UB12629
VIN Status:	OK
Body Style:	WAGON 4 DOOR
Vehicle Class:	Non Luxury Mid Size Suv
Series:	EDDIE BAUER
Manufactured in:	UNITED STATES
Exterior Color:	WHITE
Interior Color:	TAN

Restraint System:	Dual Air Bags Front And Sides/active Belts
Air Bags:	2
Driver/Passenger:	INTACT / INTACT

Features

CD Player:	PRESENT
Radio:	PRESENT
Tape Deck:	N/A

This is an insurance total loss vehicle. Because it is more than 5 model years old it has not been reported into NMVTIS by the insurer, but as required it was reported into NMVTIS by the salvage auction reselling it for the insurer. Also because of the previous five year exclusionary cutoff on Colorado branding of this vehicle it is being offered for sale for the insurer through the auction on a clean title.

While a used dealer or rebuilder would be aware of the flood loss condition as a result of the auction notification at the time of sale, the buyer when they resell it will be able to offer it under a clean title and there will be no disclosure to subsequent buyers in most cases. That is what makes the vehicle attractive to some businesses - buying such a vehicle cheaply and selling it with only a small investment in repairs even though over time most flood cars rapidly become unservicable.

In order to protect the public, these vehicles should require mandatory branding, and the requirement for disclosure to a buyer that the vehicle was reported into NMVTIS by a junk/salvage reporting entity or that it had a branded title (as under California current law AB1215) would greatly help to protect the public.

NSVRP Note 6/2014: This vehicle appears to have been registered with a clean Colorado title.

Note: Colorado passed a law in the 2013-2014 legislative session removing its exemption on branding of vehicles more than 5 model years. The state still does not require all total loss vehicles to be branded as salvage, nor does it have a well-defined non-repairable brand.

**Best Practice #20:
State NMVTIS Brand Recording:
Pair Title Transfer Reporting with
Current Title Brand**



National Vehicle History / Title Pointer (NMVTIS)

Retrieved On: Fri July 04, 2014 05:21:42 PM EDT

Vehicle Information

VIN: 1FMFU185X8LA02431

Year: 2008

Make: Ford

Model: Expedition

Vehicle Brands

Rebuilt applied by NEW YORK on 20140207

The vehicle, previously branded "salvage", has passed anti-theft and safety inspections, or other jurisdiction procedures, to ensure the vehicle was rebuilt to required standards. Also known as prior salvage (salvaged).

Not Actual applied by NEW YORK on 20140207

The odometer reading is known to be other than the true mileage for the vehicle.

Flood damage applied by FLORIDA on 20130726

Vehicle damaged by freshwater flood (or it is unknown whether the damage was caused by fresh water or salt water)

Salvage applied by FLORIDA on 20130726

Damage or Not Specified - Any vehicle which has been wrecked, destroyed or damaged, to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-accident condition and for legal operation on roads or highways exceeds a jurisdiction-defined percentage of the retail value of the vehicle. The retail value of the vehicle is determined by a current edition of a nationally recognized compilation (to include automated data bases) of retail values. Salvage--Damage or Not Specified also includes any vehicle to which an insurance company acquires ownership pursuant to a damage settlement, or any vehicle that the vehicle's owner may wish to designate as a salvage vehicle by obtaining a salvage title, without regard to extent of the vehicle's damage and repairs, or any vehicle for which the jurisdiction cannot distinguish the reason the vehicle was designated salvage.

Not Actual applied by FLORIDA on 20130726

The odometer reading is known to be other than the true mileage for the vehicle.

Salvage applied by NEW YORK on 20121221

Damage or Not Specified - Any vehicle which has been wrecked, destroyed or damaged, to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-accident condition and for legal operation on roads or highways exceeds a jurisdiction-defined percentage of the retail value of the vehicle. The retail value of the vehicle is determined by a current edition of a nationally recognized compilation (to include automated data bases) of retail values. Salvage--Damage or Not Specified also includes any vehicle to which an insurance company acquires ownership pursuant to a damage settlement, or any vehicle that the vehicle's owner may wish to designate as a salvage vehicle by obtaining a salvage title, without regard to extent of the vehicle's damage and repairs, or any vehicle for which the jurisdiction cannot distinguish the reason the vehicle was designated salvage.

Title Information

Title: [REDACTED] 06/06/2014 000064983 Miles

Title History New York 02/07/2014 000063281 Miles

Title History Florida 07/26/2013 000060000 Miles

NSVRP note: The new state of title has been redacted as it works to update its processes.

Title History New York 12/21/2012 UNKNOWN
Title History New York 12/01/2011 000040905 Miles
Title History New Jersey 06/29/2011 000040847 Miles
Title History New Jersey 03/24/2008 000000052 Miles

Junk/Salvage/Insurance Reporting

Salvage Report: IAA 12/17/2012
UNDETERMINED : Final disposition not yet determined.

Salvage Report: IAA 12/17/2012
SOLD : This vehicle has been sold.

Insurance Report: GEICO GENERAL INSURANCE COMPANY 11/7/2012 SALVAGE

Insurance Report: GEICO GENERAL INSURANCE COMPANY 11/7/2012 SALVAGE

Brand, Title and Junk/Salvage Insurance Reporting Information provided from the National Motor Vehicle Title Information System (NMVTIS).

View the NMVTIS disclaimer at <http://www.add123.com/nmvtisdisclaimer>

Lien / Theft Data

Retrieved On: Fri July 04, 2014 05:21:45 PM EDT

Vehicle Information

VIN: 1FMFU185X8LA02431 **Year:** 2008 **Make:** Ford **Model:** Expedition

Theft Information

No theft information found

Liens

No lien information found

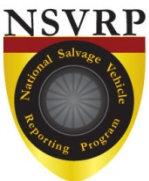
Lien data does not include information on all motor vehicles in the United States because not all lienholders provide information to the source of this lien data.

Lien / Theft data is restricted to business use only and cannot be distributed to the general consumer.

NSVRP Note: The way that some states report brands carried forward can make it appear as though the title on a branded vehicle has been washed. As in this example, the out-of-state brand is carried forward and applied to the newly issued title in the new state and the new state reports into NMVTIS that it is the new state of title, but an updated brand notification is not reported into NMVTIS. While technically accurate because the brand has not changed, it may not be clear to a third state, or to a consumer performing a NMVTIS check, if the branding was removed in the second state, or if it was carried forward. Furthermore, there are some cases in which certain states fail to brand, and then retroactively perform the branding at a later date. In cases in which branding is not resubmitted when being carried forward, it is extremely difficult to know if the current state is aware of the retroactive branding and if the vehicle is in fact accurately branded on its current title. While this method of reporting does not appear to be a violation of NMVTIS, the best practice – and the practice undertaken by most states – is to resubmit the brand along with the report of a new state of title to ensure that current branding is immediately obvious.

Comprehensive Vehicle Branding and Total Loss Best Practice Guide

Model State Language





NSVRP Comprehensive Vehicle Branding and Total Loss Best Practice Guide
Model State Language

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The National Salvage Vehicle Reporting Program (NSVRP) is a not-for-profit 501 (C) (3). The organization was founded to support law enforcement and to promote and support efforts to advance the National Motor Vehicle Title Information System (NMVTIS). NSVRP's mission is to support initiatives to control auto-theft and title abuse. NSVRP's Board of Directors consists of representatives of major law enforcement groups, and is recognized by the Department of Justice as an independent third party voluntary standards body for NMVTIS. NSVRP has been recognized both by the Department of Justice and the FBI for 'Exceptional Service in the Public Interest' for its public policy efforts.



An important note on definitions:

NSVRP has observed that many states have harmful exclusions carved out in what otherwise seem to be reasonable statutes through abuses in the basic definitions of the statutes.

For example, some states include a late model or high value designation in their definitions of salvage vehicles, sometimes removing the branding requirement for vehicles only six model years of age and older. With the average age of the car on the road today at approximately 11.5 years old, these states are removing over fifty percent of vehicles from the requirement of disclosure of prior damage. In other cases, states allow for exclusions when calculating damage, such as exclusion of airbags, providing opportunities for branding avoidance. For purposes of this document, the definition of a motor vehicle should mean any vehicle, regardless of age or value, and whenever possible, exclusions should be avoided.

Additionally, NSVRP recommends that states include clear definitions of the terms agent/broker/dealer and that all entities which, for commission or with an intent to make a profit or gain of money or other thing of value, buys, sells, barter, exchanges, leases or rents with the option to purchase, or who offers or attempts to sell or negotiates the sale of motor vehicles or trailers whether or not the motor vehicles or trailers are owned by such person or entity, including towing companies, charity organizations, buyer brokers and others, should be required to be included in the vehicle’s title chain of history and should be considered dealers for purposes of state law.

<i>States Should have Salvage (Repairable) and Non-Repairable Branding Classifications with Well-Defined Triggers</i>	
Best Practice	Language
<ul style="list-style-type: none"> • A vehicle declared a total loss by an insurance company must be considered a branded vehicle. If a vehicle has been declared a total loss, then it deserves prior disclosure through branding to protect the public from future resale without disclosure of its total loss history. The vehicle is classified as a salvage or non-repairable vehicle depending upon the ratio of damage to ACV • There are title branding classifications for both salvage (repairable) and non-repairable titles • The trigger for branding as a non- 	<p>Florida <u>F.S.A. § 319.30(3) – NSVRP Note: FL made changes to this statute in 2014 and no longer conforms to the recommended best practices with regard to non-repairable branding thresholds.</u></p> <p>319.30 (3)(a) 1.As used in this section, a motor vehicle or mobile home is a “total loss”: a. When an insurance company pays the vehicle owner to replace the wrecked or damaged vehicle with one of like kind and quality or when an insurance company pays the owner upon the theft of the motor vehicle or mobile home; or b. When an uninsured motor vehicle or mobile home is wrecked or damaged and the cost, at the time of loss, of repairing or rebuilding the vehicle is 80 percent or more of the cost to the owner of replacing the wrecked or damaged motor vehicle or mobile home with one of like kind and quality.</p> <p>2. A motor vehicle or mobile home shall not be considered</p>

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repairable brand is well-defined and high enough (80% ACV) that the prior damage is set at a point where prohibition on repair of such vehicle provides reasonable protection to the public from patterns of unsafe repairs

- No exemptions for self-insured fleets
- Owners/sellers are not given latitude to declare unwarranted self-exemptions when making branding determination
- State does not have model year, value of pre-damage vehicle, or cost or repairs cutoff beyond which vehicles get exemptions from branding total loss vehicles
- Title transfer is prohibited until the owner gets the title branded

a “total loss” if the insurance company and owner of a motor vehicle or mobile home agree to repair, rather than to replace, the motor vehicle or mobile home. However, if the actual cost to repair the motor vehicle or mobile home to the insurance company exceeds 100 percent of the cost of replacing the wrecked or damaged motor vehicle or mobile home with one of like kind and quality, the owner shall forward to the department, within 72 hours after the agreement, a request to brand the certificate of title with the words “Total Loss Vehicle.” Such a brand shall become a part of the vehicle’s title history.

(b) The owner, including persons who are self-insured, of any motor vehicle or mobile home which is considered to be salvage shall, within 72 hours after the motor vehicle or mobile home becomes salvage, forward the title to the motor vehicle or mobile home to the department for processing. However, an insurance company which pays money as compensation for total loss of a motor vehicle or mobile home shall obtain the certificate of title for the motor vehicle or mobile home, make the required notification to the National Motor Vehicle Title Information System, and, within 72 hours after receiving such certificate of title, shall forward such title to the department for processing. The owner or insurance company, as the case may be, may not dispose of a vehicle or mobile home that is a total loss before it has obtained a salvage certificate of title or certificate of destruction from the department. When applying for a salvage certificate of title or certificate of destruction, the owner or insurance company must provide the department with an estimate of the costs of repairing the physical and mechanical damage suffered by the vehicle for which a salvage certificate of title or certificate of destruction is sought. If the estimated costs of repairing the physical and mechanical damage to the vehicle are equal to 80 percent or more of the current retail cost of the vehicle, as established in any official used car or used mobile home guide, the department shall declare the vehicle unrebuildable and print a certificate of destruction, which authorizes the dismantling or destruction of the motor vehicle or mobile home described therein. However, if the damaged motor vehicle is equipped with custom-lowered floors for wheelchair access or a wheelchair lift, the insurance company may, upon determining that the vehicle is repairable to a condition that is safe for operation on public roads, submit the certificate of title to the department for reissuance as a salvage rebuildable title and the addition of a title brand of “insurance-declared total loss.” The certificate

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	<p>of destruction shall be reassignable a maximum of two times before dismantling or destruction of the vehicle shall be required, and shall accompany the motor vehicle or mobile home for which it is issued, when such motor vehicle or mobile home is sold for such purposes, in lieu of a certificate of title, and, thereafter, the department shall refuse issuance of any certificate of title for that vehicle. Nothing in this subsection shall be applicable when a vehicle is worth less than \$1,500 retail in undamaged condition in any official used motor vehicle guide or used mobile home guide or when a stolen motor vehicle or mobile home is recovered in substantially intact condition and is readily resalable without extensive repairs to or replacement of the frame or engine. Any person who knowingly violates this paragraph or falsifies any document to avoid the requirements of this paragraph commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.</p>
<p><i>Total Loss Vehicles Must Be Branded as Salvage (Repairable) or Non-Repairable</i></p>	
<p>Best Practice</p>	<p>Language</p>
<ul style="list-style-type: none"> • A vehicle declared a total loss by an insurance company must be considered a branded vehicle. • No exemptions for self-insured fleets. 	<p><u>California</u> <u>West's Ann. Cal. Vehicle Code § 544</u></p> <p>544: Total loss salvage vehicle; report of total settlement to Department of Motor Vehicles</p> <p>“Total loss salvage vehicle” means either of the following:</p> <p>(a) A vehicle, other than a nonrepairable vehicle, of a type subject to registration that has been wrecked, destroyed, or damaged, to the extent that the owner, leasing company, financial institution, or the insurance company that insured or is responsible for repair of the vehicle, considers it uneconomical to repair the vehicle and because of this, the vehicle is not repaired by or for the person who owned the vehicle at the time of the event resulting in damage.</p> <p>(b) A vehicle that was determined to be uneconomical to repair, for which a total loss payment has been made by an insurer, whether or not the vehicle is subsequently repaired, if prior to or upon making the payment to the claimant, the insurer obtains the agreement of the claimant to the amount of the total loss settlement, and informs the client that, pursuant to subdivision (a) or (b) of Section 11515, the total loss settlement must be reported to the Department of Motor Vehicles, which will issue a salvage certificate for the vehicle.</p>

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States Should Include a Flood Title Brand Designation and Flood Vehicles Should be Strong Candidates for Non-Repairable Branding	
Best Practice	Language
<ul style="list-style-type: none"> • Salt water flood definition should include water damage over the door sill and into the passenger compartment • State has a separate flood brand • Flood brand carries forward (if state chooses not to consider all flood-damaged vehicles on which water reaches the passenger compartment as non-repairable) • Fresh water flood definition should include water coming into contact with the electrical system • All flood-damaged vehicles which meet the proposed salt and fresh water definitions should be considered non-repairable but able to be sold for scrap 	<p><u>Wyoming</u> <u>31-2-106</u></p> <p>31-2-106. Definitions. (a) As used in W.S. 31-2-106 through 31-2-110: (i) "Flood vehicle" means any motor vehicle that has been submerged in water to the point that rising water has reached over the door sill and has entered into the passenger or trunk compartment of the vehicle and the actual dollar amount of the damage would not cause the vehicle to be titled as a salvage vehicle. Disclosure that a motor vehicle has become a flood vehicle shall be made at the time of transfer of ownership and the next certificate of title issued after the transfer shall be branded with the word "flood";</p> <p><u>Nevada</u> <u>NRS 487.740</u></p> <p>487.740 “Flood-damaged vehicle” defined. “Flood-damaged vehicle” means a motor vehicle which:</p> <ol style="list-style-type: none"> 1. Has been submerged in water to a point that the level of the water is higher than the door sill of the vehicle and the water has entered the passenger, trunk or engine compartment of the vehicle and has come into contact with the electrical system of the vehicle; or 2. Has been acquired by an insurance company or retained by its owner or any other person as part of a total loss settlement resulting from water damage. (Added to NRS by 2003, 1909) <p><u>Tennessee</u> <u>T. C. A. § 55-3-211</u></p> <p>55-3-211: Definitions (3) “Nonrepairable vehicle” includes, but is not limited to, any passenger motor vehicle which has sustained salt water damage as a result of salt water entering the passenger compartment. A nonrepairable vehicle shall be issued a nonrepairable vehicle certificate and shall never again be titled or registered;</p>

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	<p><u>NSVRP Recommendation</u></p> <p>The best practices for saltwater flood damage above the level of the bottom of the passenger compartment should be scrap only. In a state that carries both salvage (repairable) and non-repairable brands, any saltwater total-loss should be non-repairable.</p> <p>Any fresh water flood total-loss where water over the rocker panels and enters into the passenger compartment could also be non-repairable. There are components in the sidewalls under the seat and in the truck that even if the vehicle was not flooded to the bottom of the dash would still fail and include safety issues, so making the vehicle non-repairable is the safest alternative.</p> <p>In both cases, NSVRP believes that parts can be sold (hopefully by a business that is reputable and tests and warrants what they sell), but the car could be defined as non-repairable if flooded in the interior.</p>
<p><i>Bio/Chemical-Hazard Vehicles Should be Considered Strong Candidates for Non-Repairable Branding</i></p>	
<p>Best Practice</p>	<p>Language</p>
<ul style="list-style-type: none"> • This Tennessee language is for a “Meth” vehicle branding. Other forms of bio/chemical-hazard conditions could exist for toxic waste such as a chemical spill-related accident, some types of flooding, bio-hazards related to severe injury/fatality accidents and other conditions. Branding conditions could be designated by fire responders, hazmat, EPA, medical responders or others in addition to police or DMV employees. The assignment of a bio/chemical or hazmat branding could be initiated by another agency in many circumstances. • State vehicle title branding should be aware of such branding situations, and be able to apply that branding to the vehicle record as a brand in order to maintain protection of the driving public. 	<p><u>Tennessee</u> <u>T. C. A. § 55-3-211</u></p> <p><u>§ 55-3-211. Definitions</u> (2) “Methamphetamine vehicle” means any motor vehicle subject to registration and certificate of title provisions that has been impounded by a law enforcement agency based on a charge of manufacture of methamphetamine on or within the vehicle and determined to be contaminated pursuant to the standards developed pursuant to title 68, chapter 212, part 5, and for which the department has received a notice of motor vehicle impoundment for manufacture of methamphetamine pursuant to § 55-3-213. Disclosure that a motor vehicle has become a methamphetamine vehicle shall be made upon the department's receipt of such notice by issuance of a new certificate of title conspicuously labeled with the language “Methamphetamine Vehicle” across the front. Upon any subsequent transfer of ownership, the next certificate of title issued after the transfer shall be conspicuously labeled with the language “Methamphetamine Vehicle” across the front;</p>

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<i>States Should Designate Clear Titling Administrative and Oversight Authority to Cover All Regulated Entities</i>	
Best Practice	Language
<ul style="list-style-type: none"> • Titling and oversight authority covers all regulated entities, including insurers, self-insured fleet operators, salvage pools, dealers, recyclers, towing companies, charity auctions, buyer brokers and any other entities that may take possession of a salvage vehicle (essentially all entities required to report to NMVTIS) • There should be no exceptions 	<p><u>Iowa Code</u> <u>Title VIII/Subtitle 2/Chapter 321</u></p> <p>321.2 Administration and enforcement.</p> <ol style="list-style-type: none"> 1. Except as otherwise provided by law, the state department of transportation shall administer and enforce the provisions of this chapter. 2. The division of state patrol of the department of public safety shall enforce the provisions of this chapter relating to traffic on the public highways of the state, including those relating to the safe and legal operation of passenger cars, motorcycles, motor trucks and buses, and to see that proper safety rules are observed. 3. The state department of transportation and the department of public safety shall cooperate to insure the proper and adequate enforcement of the provisions of this chapter. 4. The director of revenue shall administer and enforce the collection of the fee for new registration as provided in section 321.105A.
<i>Universal Administrative Language May Provide States with Authority to Implement Best Practices</i>	
Best Practice	Language
<ul style="list-style-type: none"> • If a state has general administrative language such as this language from Kansas, it may be able to authorize a number of the above best practices, including making NMVTIS reporting also a state requirement, via administrative ruling 	<p><u>Kansas</u> <u>Chapter 8, Article 2</u></p> <p>8-2404: License required; license fees; bond required, when; place of business required, when; supplemental place of business; manual and examination for salesperson; prohibiting brokering of new and used motor vehicles; exceptions.</p> <p>(a) No vehicle dealer shall engage in business in this state without obtaining a license as required by this act. Any vehicle dealer holding a valid license and acting as a vehicle salesperson shall not be required to secure a salesperson's license.</p> <p>(b) No first stage manufacturer, second stage manufacturer, factory branch, factory representative, distributor branch or distributor representative shall engage in business in this state without a license as required by this act, regardless of whether or not an office or other place of business is maintained in this state for the purpose of conducting such</p>

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	<p>business.</p> <p>(c) An application for a license shall be made to the director and shall contain the information provided for by this section, <u>together with such other information as may be deemed reasonable and pertinent</u>, and shall be accompanied by the required fee. <u>The director may require in the application, or otherwise, information relating to the applicant’s solvency, financial standing, or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business, all of which may be considered by the director in determining the fitness of the applicant to engage in business as set forth in this section</u> (emphasis added by NSVRP). The director may require the applicant for licensing to appear at such time and place as may be designated by the director for examination to enable the director to determine the accuracy of facts contained in the written application, either for initial licensure or renewal thereof. Every application under this section shall be verified by the applicant.</p>
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States Should Include a Brand Carry Forward Provision in Their Rules

Best Practice	Language
<ul style="list-style-type: none"> Any and all branding should be carried forward when a vehicle is titled in a new state There should be no exceptions 	<p><u>Colorado</u> <u>C.R.S.A. § 42-6-107</u></p> <p>42-6-107. Certificates of title--contents--rules (III) If a vehicle shows a brand in its title history, or if the vehicle is subject to a brand, the department shall place the appropriate brand on the certificate of title. If the vehicle has multiple brands, the department shall place the most recent brand on the certificate of title and the notice “other brands exist”. If the brand is from a certificate of title issued in another jurisdiction, the brand must be carried forward to the Colorado certificate of title along with the name of the jurisdiction originating the brand.</p>

States Should Require In-State Title Paperwork Before Allowing the Sale of Vehicles by Salvage Auctions

Best Practice	Language
<ul style="list-style-type: none"> Restrict sales of out-of-state titled cars by salvage auctions Because most title washing occurs when a vehicle’s history is hidden when it is resold with an unbranded title in a different state 	<p><u>Ohio</u> <u>Rev. Code Chapter 4738</u></p> <p>4738.03 Business purpose of motor vehicle salvage dealer; limitations of salvage motor vehicle auctions and pools (B) No person licensed as a salvage motor vehicle auction under this chapter shall:</p>

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<p>than the one in which the damage occurred, NSVRP recommends that non-salvage auction sale transactions also require an in-state title for resale in that state by any entity. If an owner wishes to resell a vehicle with an out-of-state title, the owner should first have to transfer the title from the out-of-state to an in-state title, in the owner's name, before being able to resell the vehicle in that state</p>	<p>(1) Make a casual sale of a salvage motor vehicle; (2) Sell a salvage motor vehicle when having reasonable cause to believe it is not offered by the legal owner thereof; (3) Sell a salvage motor vehicle to any person except a person licensed as a motor vehicle salvage dealer under this chapter; <u>(NSVRP Recommendation: Offer a vehicle for sale unless such vehicle is accompanied by an Ohio certificate of title issued in the name of the then current owner at the time of sale;)</u> (4) Fail to make an Ohio salvage certificate of title available to the purchaser of a salvage motor vehicle sold by the salvage motor vehicle auction, before payment for the salvage motor vehicle is completed; (5) Operate as a motor vehicle salvage dealer at the same location where any salvage motor vehicle auction is operated.</p>
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NMVTIS Reporting Should be Codified as a State Requirement

Best Practice	Language
<ul style="list-style-type: none"> • NMVTIS reporting violations should also be a violation of state law • Federal law requires NMVTIS reporting entities to report within 30 days of acquiring or handling a salvage vehicle. NSVRP recommends a shorter reporting requirement to reduce opportunities for fraud and a Department of Justice opinion confirms state authority to enact legislation that may be the same as or more stringent than federal NMVTIS reporting requirements. 	<p><u>Florida</u> <u>F.S.A. § 319.30(2)(b)</u></p> <p><u>319.30(2)(b)1.</u> When a motor vehicle, recreational vehicle, or mobile home is sold, transported, delivered to, or received by a salvage motor vehicle dealer, the purchaser shall make the required notification to the National Motor Vehicle Title Information System and it shall be accompanied by:</p> <ol style="list-style-type: none"> A valid certificate of title issued in the name of the seller or properly endorsed, as required in s. 319.22, over to the seller; A valid salvage certificate of title issued in the name of the seller or properly endorsed, as required in s. 319.22, over to the seller; or A valid certificate of destruction issued in the name of the seller or properly endorsed over to the seller. <p>2. Any person who knowingly violates this paragraph by selling, transporting, delivering, purchasing, or receiving a motor vehicle, recreational vehicle, or mobile home without obtaining a properly endorsed certificate of title, salvage certificate of title, or certificate of destruction from the owner or does not make the required notification to the National Motor Vehicle Title Information System commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.</p>

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States Must Clearly Define when Title Transfer Occurs and Title Branding is Required and Violations of the Federal Odometer Act should also be Considered Violations of State Law

Best Practice	Language
<ul style="list-style-type: none"> • NHTSA sent a warning letter to insurance companies regarding reports of certain insurance companies engaging in transactions that violated federal odometer disclosure law with respect to vehicles damaged in Hurricane Sandy • Violations of the Federal Odometer Act (TIMA) should also be state violations • NSVRP Recommendation: States should consider requiring that odometer declarations be provided for vehicles 10 model years of age and older. 	<p><u>Iowa Code</u> <u>Title VIII/Subtitle 2/Chapter 321/321.71</u></p> <p>321.71 Odometer requirements.</p> <ol style="list-style-type: none"> 1. For the purposes of this section the following words and phrases shall have the meanings respectively ascribed to them: <ol style="list-style-type: none"> a. “<i>Intent and purpose of this section</i>” is and shall mean to achieve the end that odometers of motor vehicles shall at all times correctly show the true mileage that the motor vehicle has been driven. b. “<i>True mileage</i>” is the actual mileage the motor vehicle has been driven. 2. No person shall knowingly tamper with, adjust, alter, change, set back, disconnect or fail to connect the odometer of any motor vehicle, or cause any of the foregoing to occur to an odometer of a motor vehicle, so as to reflect a lower mileage than the true mileage driven by the motor vehicle. 3. No person shall conspire with any other person to evade the intent and purpose of this section. 4. No person shall with the intent to defraud operate a motor vehicle on any street or highway knowing that the odometer of the motor vehicle is disconnected or nonfunctional. 5. No person shall advertise for sale, sell, use or install on any part of a motor vehicle or on any odometer in a motor vehicle any device which causes the odometer to register any mileage other than the true mileage. 6. In the event any odometer is repaired or replaced, the reading of the repaired or replaced odometer shall be set at the reading of the odometer repaired or replaced immediately prior to repair or replacement, but where the odometer is incapable of registering the same mileage the odometer shall be adjusted to read zero and any adjustment made in accordance with the provisions of this subsection shall not be deemed a violation of any provision of this section. 7. A certificate of title shall not be issued for a motor vehicle less than ten model years old which is equipped with an odometer by the manufacturer, unless an odometer statement which is in compliance with federal law and regulations has been made by the transferor of the vehicle and is furnished with the application for certificate of title. The new certificate of title shall record on its face the

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	<p>odometer reading and the word “actual” if the true mileage is known. If the odometer reading is not the true mileage or the true mileage is unknown, the words “not actual” shall be recorded. If the odometer reading is greater than the odometer can mechanically count, the words “exceeds the mechanical limits” shall be recorded. However, a certificate of title may be issued for a motor vehicle to a person who moves into this state if the person acquired ownership of the motor vehicle prior to moving to this state. This subsection does not apply to motor vehicles having a gross vehicle weight rating of more than sixteen thousand pounds.</p> <p>8. Any person who knowingly makes or delivers a false odometer statement as required by subsection 7 shall be guilty of a violation of this section.</p> <p>9. An Iowa licensed motor vehicle dealer shall not have in possession as inventory for sale a used motor vehicle acquired by the dealer after the tenth model year prior to the current registration year, for which the dealer does not possess an odometer statement by the transferor which is in compliance with federal law and regulations unless a certificate of title has been issued for the vehicle in the name of the dealer. Transfer of a new motor vehicle with an ownership document which is a manufacturer’s statement of origin requires an odometer statement only when transferred at retail.</p> <p>10. A transferee of a motor vehicle reassigning the certificate of title to such motor vehicle pursuant to the provisions of section 321.48, subsection 1, shall not be guilty of a violation of this section if such transferee has in the transferee’s possession an odometer statement by the transferor which is in compliance with federal law and regulations and if the transferee has no knowledge that the statement is false and that the transferee has no knowledge that the odometer does not reflect the true mileage of such motor vehicle.</p> <p>11. The department may adopt rules which shall be in compliance with the federal Truth in Mileage Act of 1986, Pub. L. No. 99-579.</p> <p>12. Any person who violates this section commits a fraudulent practice.</p>
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Multiple Title Transfers on a Single Title Document Should be Severely Restricted

Best Practice	Language
<ul style="list-style-type: none"> • The need for when title transfer and title branding decisions must take place are clearly and broadly defined • Multiple title transfers between resellers on a single title document should be prohibited (this should be mandatory and especially practical with electronic titling) 	<p><u>Illinois</u> <u>(625 ILCS 5/3-112)</u></p> <p>Sec. 3-112. Transfer.</p> <p>(a) If an owner transfers his interest in a vehicle, other than by the creation of a security interest, at the time of the delivery of the vehicle he shall execute to the transferee an assignment and warranty of title in the space provided on the certificate of title, or as the Secretary of State prescribes, and cause the certificate and assignment to be mailed or delivered to the transferee or to the Secretary of State.</p> <p>If the vehicle is subject to a tax under the Mobile Home Local Services Tax Act in a county with a population of less than 3,000,000, the owner shall also provide to the transferee a certification by the treasurer of the county in which the vehicle is situated that all taxes imposed upon the vehicle for the years the owner was the actual titleholder of the vehicle have been paid. The transferee shall be liable only for the taxes he or she incurred while he or she was the actual titleholder of the mobile home. The county treasurer shall refund any amount of taxes paid by the transferee that were imposed in years when the transferee was not the actual titleholder. The provisions of this amendatory Act of 1997 (P.A. 90-542) apply retroactively to January 1, 1996. In no event may the county treasurer refund amounts paid by the transferee during any year except the 10 years immediately preceding the year in which the refund is made. If the owner is a licensed dealer who has purchased the vehicle and is holding it for resale, in lieu of acquiring a certification from the county treasurer he shall forward the certification received from the previous owner to the next buyer of the vehicle. The owner shall cause the certification to be mailed or delivered to the Secretary of State with the certificate of title and assignment.</p> <p>(b) Except as provided in Section 3-113, the transferee shall, promptly and within 20 days after delivery to him of the vehicle and the assigned title, execute the application for a new certificate of title in the space provided therefor on the certificate or as the Secretary of State prescribes, and cause the certificate and application to be mailed or delivered to the Secretary of State.</p> <p>(c) Upon request of the owner or transferee, a lienholder in possession of the certificate of title shall, unless the transfer was a breach of his security agreement, either</p>

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deliver the certificate to the transferee for delivery to the Secretary of State or, upon receipt from the transferee of the owner's assignment, the transferee's application for a new certificate and the required fee, mail or deliver them to the Secretary of State. The delivery of the certificate does not affect the rights of the lienholder under his security agreement.

(d) If a security interest is reserved or created at the time of the transfer, the certificate of title shall be retained by or delivered to the person who becomes the lienholder, and the parties shall comply with the provisions of Section 3-203.

(e) Except as provided in Section 3-113 and as between the parties, a transfer by an owner is not effective until the provisions of this Section and Section 3-115 have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied with the provisions of this Section and Section 3-115 requiring action by him as not liable as owner for any damages thereafter resulting from operation of the vehicle.

(f) The Secretary of State shall not process any application for a transfer of an interest in a vehicle if any fees or taxes due under this Act from the transferor or the transferee have not been paid upon reasonable notice and demand.

Iowa

Title VIII/Subtitle 2/Chapter 321/321.67

321.7 Certificate of title must be executed.

1. No person, except as provided in sections 321.23 and 321.45 shall sell or otherwise dispose of a registered vehicle or a vehicle subject to registration without delivering to the purchaser or transferee thereof a certificate of title with such assignment thereon as may be necessary to show title in the purchaser.

2. No person shall purchase or otherwise acquire or bring into this state a registered vehicle or a vehicle subject to registration without obtaining a certificate of title thereto except for temporary use or as provided in sections 321.23 and 321.45.



States Should Prohibit Bill of Sale Transfers

Best Practice	Language
<ul style="list-style-type: none"> Requires a certificate of origin or certificate of ownership for transfer of ownership 	<p><u>New Jersey</u> <u>N.J.S.A. §39.10-11</u></p> <p>39:10-11. Certificate of ownership; fees. A. The purchaser of a motor vehicle in this State, other than a dealer licensed pursuant to the provisions of R.S.39:10-19, shall, within 10 working days after its purchase, submit to the director evidence of the purchase. Upon presentation to the director of the certificate of origin, or certificate of ownership, or bill of sale issued prior to October 1, 1946, with proper assignment and certification of the seller, a record of the transaction shall be made and filed. A certificate of ownership shall be issued by the director and delivered to the buyer, in case of a sale not subject to a security interest, and the director shall collect a fee of \$20 for the issuance and filing thereof.</p>

Vehicles Repaired or Rebuilt for Highway Use Should Require Safety and Theft Inspections

Best Practice	Language
<ul style="list-style-type: none"> 49 USCA § 30126 states that “to ensure a continuing and effective national safety program, it is the policy of the United States Government to encourage and strengthen State inspection of used motor vehicles. Therefore, the Secretary of Transportation shall prescribe uniform motor vehicle safety standards applicable to all used motor vehicles. The standards shall be stated in terms of motor vehicle safety performance.” Salvage (repairable) title vehicles should require a full safety inspection before being eligible for receiving a Rebuilt/Rebuilt Salvage title 	<p><u>Connecticut</u> <u>Conn. Gen. Stat. Sec. 14-103a</u></p> <p>Sec. 14-103a Inspection of reassembled, altered or reconstructed vehicles. Composite vehicles. Vehicles made by unlicensed manufacturers. Any motor vehicle that (1) has been reconstructed, (2) is composed or assembled from the several parts of other motor vehicles, (3) the identification and body contours of which are so altered that the vehicle no longer bears the characteristics of any specific make of motor vehicle, or (4) has been declared a total loss by any insurance carrier and subsequently reconstructed, shall be inspected by the commissioner to determine whether the vehicle is properly equipped, in good mechanical condition and in the possession of its lawful owner. The model year designation for the purpose of registration of a composite motor vehicle inspected in accordance with this section shall be the model year that the body of such composite motor vehicle most closely resembles. Such vehicle shall be presented for inspection at any Department of Motor Vehicles office to conduct such inspection. The commissioner may require any person presenting any such reassembled, altered or reconstructed vehicle for inspection to provide proof of lawful purchase of any major component parts not part of the vehicle when first</p>

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	<p>sold by the manufacturer. The commissioner may require, in accordance with the provisions of this section, the inspection of any other motor vehicle that has not been manufactured by a person, firm or corporation licensed in accordance with the provisions of section 14-67a. The fee for any inspection required by the provisions of this section shall be eighty-eight dollars. The inspection fee shall be in addition to regular registration fees. As used in this section, "reconstructed" refers to each motor vehicle materially altered from its original construction by the removal, addition or substitution of essential parts, new or used.</p>
<ul style="list-style-type: none"> • Salvage (repairable) title vehicles should require a full theft inspection before being eligible for receiving a Rebuilt/Rebuilt Salvage title • Once rebuilt and inspected, rebuilt salvage (repairable) vehicles should be treated as fully roadworthy and repairable, but retain their rebuilt vehicle status 	<p><u>Virginia</u> <u>Va. Code § 46.2-1605</u></p> <p>46.2-1605 Each salvage vehicle that has been repaired or rebuilt for use on the highways shall be examined by the Department or by a local law-enforcement official prior to the issuance of a title for the vehicle. The examination shall include a review of all documentation for the parts and labor used for the repair of the salvage vehicle and a verification of the vehicle's identification number, confidential number, and odometer reading. The Commissioner shall ensure that, in scheduling and performing examinations of salvage vehicles under this section, single vehicles owned by private owner-operators are afforded no lower priority than examinations of vehicles owned by motor vehicle dealers, salvage dealers, demolishers, rebuilders, salvage pools, or vehicle removal operators. The Commissioner may charge a fee of \$125 per vehicle, for the examination of repaired and rebuilt vehicles. When the examination is conducted by a local law-enforcement official, the Department shall reimburse the local law-enforcement department \$75 for its costs in conducting the examination and reporting its findings to the Department.</p> <p>Any salvage vehicle whose vehicle identification number or confidential number has been altered, is missing, or appears to have been tampered with may be impounded by the Department or a local law-enforcement official until completion of an investigation by the Department. The vehicle may not be moved, sold, or tampered with until the completion of this investigation. Upon completion of an investigation by the Department, if the vehicle identification number is found to be missing or altered, a new vehicle identification number may be issued by the Department. If the vehicle is found to be a stolen vehicle and its owner can be determined, the vehicle shall be returned to him. If the</p>

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	<p>owner cannot be determined or located and the person seeking to title the vehicle has been convicted of a violation of § 46.2-1074 or 46.2-1075, the vehicle shall be deemed forfeited to the Commonwealth. Each such vehicle shall be sold at public auction and the proceeds thereof, after satisfaction of any liens, returned to the state treasury for use by the Department. If the Department's examination of a repaired or rebuilt salvage vehicle indicates no irregularities, a title and registration may be issued for the vehicle upon application therefor to the Department by the owner of the salvage vehicle. The title issued by the Department and any subsequent title thereafter issued for the repaired or rebuilt vehicle shall be permanently branded to indicate that it is a repaired or rebuilt vehicle. All repaired and rebuilt vehicles shall be subject to all safety equipment requirements provided by law. No title or registration shall be issued by the department for any vehicle for which a nonrepairable certificate has ever been issued.</p>
<p><i>Buyer Brokers, Towing Companies, Charity Organizations and other NMVTIS Reporting Entities Should be Considered Dealers for Purposes of State Law</i></p>	
<p>Best Practice</p>	<p>Language</p>
<ul style="list-style-type: none"> • Brokers, charity organizations, towing companies and any other entities purchasing a vehicle with its own payment, or under obligation to a seller if a buyer backs out, or if it is required to report to NMVTIS, should be considered a dealer for purposes of state law 	<p><u>NSVRP Recommendation</u></p> <p>States should include clear definitions of the terms agent/broker/dealer and all entities which, for commission or with an intent to make a profit or gain of money or other thing of value, buys, sells, barter, exchanges, leases or rents with the option to purchase, or who offers or attempts to sell or negotiates the sale of motor vehicles or trailers whether or not the motor vehicles or trailers are owned by such person or entity, including towing companies, charity organizations, buyer brokers and others, should be required to be included in the vehicle's title chain of history and should be considered dealers for purposes of state law.</p>
<p><i>States Should Close the Gap on Sales Tax Avoidance</i></p>	
<p>Best Practice</p>	<p>Language</p>
	<p><u>California</u> <u>CA Revenue and Taxation Code §6092.5</u></p> <p>6092.5 (a) Every qualified person making any sale of a mobile home or commercial coach required to be registered annually under the Health and Safety Code, or of a vehicle required to be registered under the Vehicle Code or subject</p>

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	<p>to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code, or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code, or of any salvage certificate vehicle as defined in Section 11515 of the Vehicle Code, is presumed to be making a sale at retail and not a sale for resale. The presumption may be rebutted by taking a resale certificate from any of the following:</p> <p>(1) A person that certifies it is licensed, registered, regulated, or certificated under the Health and Safety Code or the Vehicle Code as a dealer or dismantler.</p> <p>(2) A person that certifies it is licensed, registered, regulated, or certificated under the Business and Professions Code as an automotive repair dealer, or is qualified as a scrap metal processor as described in the Vehicle Code.</p> <p>(3) A person that certifies it is licensed, registered, regulated, certificated, or otherwise authorized by another state, country, or jurisdiction to do business as a dealer, dismantler, automotive repairer, or scrap metal processor.</p> <p>(b) A qualified person shall not accept a resale certificate from any person except as provided in subdivision (a).</p> <p>(c)(1) In addition to the requirements of Sections 6093 and 6243, the certificate shall include the license or registration number of the dealer, dismantler, or automotive repair dealer, as applicable. If the purchaser is not required to hold a seller's permit because the purchaser makes no sales in this state, the purchaser must include on the certificate a sufficient explanation as to the reason the purchaser is not required to hold a California seller's permit in lieu of the seller's permit number. The certificate issued by a purchaser pursuant to this section shall be substantially in such form as the board may prescribe.</p> <p>(2) A qualified person that does not timely obtain a resale certificate as provided in this section may use alternative methods as prescribed by the board to rebut the presumption provided in subdivision (a).</p> <p>(d) For the purposes of this section, a "qualified person" means a person making a sale at auction or a dismantler licensed under the Vehicle Code.</p> <p>SEC. 2.</p> <p>This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into</p>
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	immediate effect.
<p><i>States Should Require a Warning Sticker on any Vehicle Offered for Sale that has been Reported as a Total Loss by an Insurance Company or has been Reported as Acquired by a NMVTIS junk/salvage/insurance (J/S/I) Reporting Entity, or if the Certificate of Title Contains a Brand</i></p>	
Best Practice	Language
<ul style="list-style-type: none"> Requires a warning sticker on any vehicle offered or sale that has been reported as a total loss by an insurance company or has been reported as acquired by a NMVTIS junk/ salvage/insurance reporting entity, or if the certificate of title contains a brand 	<p><u>California</u> <u>Vehicle Code Section 11713.26</u></p> <p>(a) A dealer shall not display or offer for sale at retail a used vehicle, as defined in Section 665 and subject to registration under this code, unless the dealer first obtains a NMVTIS vehicle history report from a NMVTIS data provider for the vehicle identification number of the vehicle.</p> <p>(b) If a NMVTIS vehicle history report for a used vehicle indicates that the vehicle is or has been a junk automobile or a salvage automobile or the vehicle has been reported as a junk automobile or a salvage automobile by a junk yard, salvage yard, or insurance carrier pursuant to Section 30504 of Title 49 of the United States Code, or the certificate of title contains a brand, a dealer shall do both of the following:</p> <p>(1) Post the following disclosure on the vehicle while it is displayed for sale at retail in at least 14-point bold black type, except for the title "Warning" which shall be in at least 18-point bold black type, on at least a 4 x 5.5 inch red background in close proximity to the Federal Trade Commission's Buyer's Guide: "WARNING According to a vehicle history report issued by the National Motor Vehicle Title Information System (NMVTIS), this vehicle has been reported as a total-loss vehicle by an insurance company, has been reported into NMVTIS by a junk or salvage reporting entity, or has a title brand which may materially affect the value, safety, and/or condition of the vehicle. Because of its history as a junk, salvage, or title-branded vehicle, the manufacturer's warranty or service contract on this vehicle may be affected. Ask the dealer to see a copy of the NMVTIS vehicle history report. You may independently obtain the report by checking NMVTIS online at www.vehiclehistory.gov."</p> <p>(2) Provide the retail purchaser with a copy of the NMVTIS vehicle history report upon request prior to sale</p> <p>(c) Subdivisions (a) and (b) do not apply to a used vehicle for which NMVTIS does not have a record if the dealer attempts to obtain a NMVTIS vehicle history report for the vehicle.</p> <p>(d) As used in this section the following terms have the</p>

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following meanings:

(1) "NMVTIS" means the National Motor Vehicle Title Information System established pursuant to Section 30501 et seq. of Title 49 of the United States Code.

(2) "NMVTIS vehicle history report" means a report obtained by an NMVTIS data provider that contains:

(A) The date of the report.

(B) Any disclaimer required by the operator of NMVTIS.

(C) If available from NMVTIS, information establishing the following:

(i) Whether the vehicle is titled in a particular state.

(ii) Whether the title to the vehicle was branded by a state.

(iii) The validity and status of a document purporting to be a certificate of title for the vehicle.

(iv) Whether the vehicle is or has been a junk automobile or a salvage automobile.

(v) The odometer mileage disclosure required pursuant to Section 32705 of Title 49 of the United States Code for that vehicle on the date the certificate of title for that vehicle was issued and any later mileage information.

(vi) Whether the vehicle has been reported as a junk automobile or a salvage automobile pursuant to Section 30504 of Title 49 of the United States Code.

(3) "Junk automobile," "operator," and "salvage automobile" shall have the same meanings as defined in Section 25.52 of Title 28 of the Code of Federal Regulations.

(4) "NMVTIS data provider" means a person authorized by the NMVTIS operator as an access portal provider for NMVTIS.

(5) "NMVTIS operator" means the individual or entity authorized or designated as the operator of NMVTIS pursuant to subdivision (b) of Section 30502 of Title 49 of the United States Code, or the office designated by the United States Attorney General, if there is no authorized or designated individual or entity.

(e) Nothing in this section shall prohibit a NMVTIS data provider from including, in a NMVTIS vehicle history report containing the information required by paragraph (2) of subdivision (d), additional vehicle history information obtained from resources other than NMVTIS.

(f) This section shall not create any legal duty upon the dealer related to the accuracy, errors, or omissions contained in a NMVTIS vehicle history report that is obtained from a NMVTIS data provider or any legal duty to provide information added to NMVTIS after the dealer obtained the NMVTIS vehicle history report pursuant to subdivision (a).

(g) (1) In the event that all NMVTIS data providers cease to

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	<p>make NMVTIS vehicle history reports available to the public, this section shall become inoperative.</p> <p>(2) In the event that all NMVTIS data providers cease to make NMVTIS vehicle history reports available to the public, it is the intent of the Legislature that the United States Department of Justice notify the Legislature and the department.</p> <p>(h) This section does not apply to the sale of a recreational vehicle, a motorcycle, or an off-highway motor vehicle subject to identification under Section 38010.</p> <p>(i) This section shall become operative on July 1, 2012.</p>
<p><i>States Should Not Allow Salvage Auctions to Sell Directly to Consumers; States Considering Allowing Auctions or Wholesalers to Sell Directly to Consumers Must Institute Important Consumer Protections</i></p>	
<p>Best Practice</p>	<p>Language</p>
<ul style="list-style-type: none"> Requires a license for purchase of salvage motor vehicles at auction or pool 	<p>Ohio <u>Rev. Code Chapter 4738</u></p> <p>4738.18 Buyers identification card; applications; fees; renewal; unauthorized use</p> <p>(A) Any person licensed under division (A) of section 4738.03 of the Revised Code who wishes to purchase salvage motor vehicles at salvage motor vehicle auctions or salvage motor vehicle pools shall make application to the registrar of motor vehicles for a buyer's identification card. The application shall be on a form prescribed by the registrar and shall contain the applicant's name, principal business address, the license number under which the applicant will be making purchases, and such other information as the registrar requires. In lieu of directly obtaining a buyer's identification card or in addition thereto, any person licensed under division (A) of section 4738.03 of the Revised Code may designate up to two employees to act as buyers for the licensee. The licensee shall make application for a buyer's identification card for each employee in the same manner as for a card for the licensee.</p> <p>(B) The fee for each buyer's identification card shall be thirty-five dollars.</p> <p>(C) Beginning on the effective date of this amendment, each buyer's identification card shall expire biennially on a day within the two-year cycle that is prescribed by the registrar, unless sooner suspended or revoked. Before the first day after the day prescribed by the registrar in the year that the card expires, each cardholder shall file an application for renewal of the card, in a form that the registrar prescribes. A buyer's identification card is nontransferable. If the holder of a card no longer possesses a valid salvage motor vehicle</p>

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<ul style="list-style-type: none"> • If a state is willing to allow general population to bid at salvage auctions, NSVRP urges that any such sale must under state law provide the buyer an absolute level of protection that allows the buyer the right to withdraw their purchase without condition and without penalty for a period of time that allows for a reasonable time to carefully inspect the purchase at a repair facility under the buyer’s control to confirm that the vehicle can be safely and cost effectively restored to road service. This right to rescind their purchase should be provided in addition to any other rights and protections that may already exist for the consumer under current law. 	<p>dealer's license, or if an employee of the licensee leaves the employment of the licensee, the buyer's identification card of that person is invalid and the holder shall return the card to the registrar.</p> <p>(D) Any person who holds a valid salvage motor vehicle dealer's license from another state that imposes qualifications and requirements with respect to the license that are equivalent to those required by Chapter 4738. Of the Revised Code may make application and receive a buyer's identification card. The person shall make application to the registrar who shall, based upon the registrar's investigation, issue a buyer's identification card to those applicants who the registrar determines are qualified.</p> <p>(E) All applicants for a buyer's identification card must be of good financial repute and not have been convicted of a felony as verified by a report from a law enforcement agency and credit report furnished to the registrar by the applicant.</p> <p>(F) The registrar may revoke or suspend the license of any salvage motor vehicle dealer who allows the dealer's card or the card of any employee to be used by any unauthorized person.</p> <p><u>NSVRP Recommendation (based upon the Massachusetts Used Vehicle Warranty Law (M.G.L. c. 90 §7N 1/4), with NSVRP proposed edits noted in RED.</u></p> <p><u>Massachusetts</u> <u>M.G.L. c. 90</u></p> <p>Section 7N. Notwithstanding any disclaimer of warranty, a A motor vehicle contract of sale of a motor vehicle purchased at salvage auction may be voided by the buyer if the motor vehicle fails to meet pass, within seven fourteen days from the date of such sale and delivery of the vehicle to a repair facility of the buyer’s choice, the buyer’s expectations of the vehicle to be safely and cost effectively restored to road service; provided, that the defects which are the reasons for the failure to issue a certificate of inspection were not caused by the abusive or negligent operation of the motor vehicle or by damage resulting from an accident or collision occurring after the date of the sale; and provided, further, that the cost of repairs necessary to permit the issuance of a certificate of inspection exceeds ten per cent of the purchase price of the motor vehicle.</p> <p>In order to void a motor vehicle sale under this section the</p>
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	<p>buyer shall, within fourteen days from the date of sale, notify the seller of his intention to do so, deliver the motor vehicle to the seller, provide the seller with a written statement signed by an authorized agent of such inspection station stating the reasons why the motor vehicle failed to pass the safety or combined safety and emissions inspection and an estimate of the cost of necessary repairs. The buyer shall be entitled to a refund of his purchase price in addition to any fees and charges paid to the auction, including buyer's fees, any fees and charges paid to any broker/dealer used in the transaction and towing costs for the delivery and return of the vehicle. unless the buyer and seller agree in writing that the seller may make the necessary repairs at his own cost and expense within a reasonable period of time thereafter. This section shall apply only to motor vehicles purchased for the immediate personal or family use of the buyer.</p>
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US DOJ Buyer Beware Notice to Consumers Regarding Flood Vehicles



Buyer Beware: Safety Hazards of Flood-Damaged Vehicles

Millions of people in the eastern United States have suffered property damage and loss, widespread power outages, and major flooding caused by Hurricane Sandy. As recovery and restoration efforts get underway, it is extremely important for consumers to be aware of the safety impact of floods on vehicles. Severe water damage can make vehicles' electrical systems, including their airbag sensors, prone to failure. When a car's electrical systems have been compromised, it may no longer be safe or roadworthy. After Hurricane Katrina, for example, truckloads of flooded vehicles were reportedly taken out of Louisiana to states as far away as the upper Midwest, where they were dried out, cleaned, and sold. Purchasers of those vehicles may not have known that the vehicles had endured a saltwater flood that damaged their electrical systems.

The National Motor Vehicle Title Information System (NMVTIS) is designed to protect prospective buyers of used cars and trucks from concealed vehicle histories. Created by federal law, this system is the only publicly available system in the country that requires all insurance carriers, auto recyclers, junk and salvage yards, and states to report vehicle history information. An NMVTIS vehicle history report provides information on the five key indicators associated with preventing vehicle-related fraud and theft:

- current state of title and last title date;
- brand history, a descriptive label assigned by states to indicate a vehicle's current or prior state—for example: "junk," "salvage," "flood;"
- odometer reading;
- total loss history; and
- salvage history.

If a vehicle has a brand, total loss, or salvage history, then the consumer is warned that the vehicle may be unsafe (A NMVTIS report does *not* include repair histories, recall information, and other care and maintenance data available in alternative vehicle history reports).

Shop smart. Make sure you obtain an independent vehicle inspection and have all the information about a vehicle before you buy.

For more information about NMVTIS, visit www.vehiclehistory.gov.

US DOJ Opinion Regarding State Enforcement of NMVTIS Violations



NSVRP@earthlink.net

From: "Bright, Kim" <Kim.Bright@usdoj.gov>
Date: Monday, October 22, 2012 10:54 AM
To: <NSVRP@earthlink.net>
Subject: State Requirement Question
Howard,

Per our discussion, here is the response regarding the state requirement question raised during the September NAB meeting: "After consulting with OJP's Office of General Counsel, it is BJA's understanding that states have the authority to enact legislation that may be more stringent than the NMVTIS reporting requirements, so long as the state legislation does not conflict with or frustrate the federal legislation's purpose."

-Kim

Kim S. Bright
Booz | Allen | Hamilton
U.S. Department of Justice
Bureau of Justice Assistance
E: kim.bright@usdoj.gov
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NHTSA Alert to Major
Insurers Regarding Potential
Title Skipping Violations and
Reiterating Odometer
Disclosure Requirements
Following Hurricane Sandy





(Note: Posted on the NHTSA Facebook page as of 2-8-2013. Letter sent on 12/20/2012)

Via Federal Express

Mr. Dana Proulx
General Counsel
GEICO Corporation
One Geico Plaza
Washington, DC 20076

Dear Mr. Proulx:

We have received reports that certain insurance companies may be engaging in transactions that violate Federal odometer disclosure law with respect to vehicles damaged in Hurricane Sandy. Although we are not asserting that your company is engaging in such practices, we are writing to a number of auto insurance companies to remind them of the Federal odometer disclosure law requirements and ask them to review their practices regarding odometer disclosures. These letters do not accuse your company, or any other company, of violating the law.

We understand that when a flood-damaged vehicle is declared a total loss, the insurance company pays the insured the value of the vehicle, becomes the owner, and acquires control over the vehicle from the insured. However the reports we have received indicate that instead of completing the required odometer disclosure, some companies ask the insured to complete the odometer disclosure statement without listing the insurance company as the transferee. According to these reports, the insurance company will not sign the title, make an odometer disclosure, or transfer title. The insurance company then sells the vehicle at auction, keeps the proceeds from the auction, and provides the title with the odometer disclosure statement as signed by the insured to the auction buyer. The next person in the chain of title of the vehicle will be the buyer at auction. The insurance company will essentially be omitted from the chain of title.

In the circumstance described above, an insurance company is considered a “transferee” when it pays the insured’s claim (in return it obtains ownership of the vehicle), and a “transferor” when it sells the vehicle at auction. See 49 C.F.R. § 580.3. As a transferor, the insurance company is required to make certain disclosures.

Under federal odometer disclosure law, 49 U.S.C. §32705, a person transferring ownership of a motor vehicle shall give the transferee written disclosure of the cumulative mileage registered on the odometer. More specifically, under 49 C.F.R. §580.5, “each transferor shall disclose the mileage to the transferee in writing on the title or ... on the document being used to reassign the title... [t]his written disclosure must be signed by the transferor, including the printed name.” The transferee must sign the disclosure statement, print his name, and return a copy to his transferor. If you have any questions, please do not hesitate to contact Marie Choi of my staff at (202) 366-1738 or via email at marie.choi@dot.gov.

Sincerely,
O. Kevin Vincent
Chief Counsel

d: 12/20/12

Identical letters sent to:

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