



February 17, 2015



RE: Grow America Act and Utilizing NMVTIS in alerting consumers of safety recalls



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, U.S. Customs and Border Protection, state governments and other parties to help further our mutual objectives. NSVRP's board is comprised of representatives of local and national law enforcement organizations.

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. In fulfilling our mission, we have coordinated with NHTSA on other matters involving usage of NMVTIS such as the Car Allowance Rebate System (CARS) and the Insurance Cost Information Regulation, as well as matters relating to enforcement and administration of the Odometer Act and Hurricane Sandy-related Odometer Act issues.

NSVRP applauds NHTSA for the important steps it is taking on ensuring that car owners are aware of important motor vehicle and equipment safety recalls. We also firmly support NHTSA's proposal in Section 4109 of the Grow America Act requiring that dealers and rental car companies may sell or lease motor vehicles or replacement equipment subject to recall only after the defect or noncompliance has been remedied. We believe that this is an important requirement that should be mandated nationally. In fact, NSVRP recently suggested in its response to the FTC Used Car Rule Supplementary Notice of Proposed Rulemaking, that the FTC require used car dealers actively confirm if open safety recalls exist and repair and clear any notices from the recall database before offering the vehicle for sale. We hope that NHTSA will ensure this language is included in whatever final form transportation reauthorization language takes.

However, even with amendments to the early warning reporting (EWR) rule, regulations governing motor vehicle and equipment safety recalls, the free online VIN search database and a national mandate against reselling or renting vehicles with open recalls, NSVRP believes that a significant gap will still exist in reaching potential purchasers and/or undocumented owners of automobiles with unresolved recalls.

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***NSVRP proposes that utilizing NMVTIS as a tool to communicate important automotive safety recalls to individuals and entities is the most effective way to address this gap.***

Recent years have seen an astronomical rise in automotive recalls. With more than 64 million vehicles recalled for safety problems in 2014, automakers recalled more vehicles than the previous three years combined. According to Carfax, more than 3.5 million used cars with unresolved recalls were offered for sale last year and the company’s research indicates that more than one in ten used cars for sale online has an open recall. A cursory review of recent recalls reveals that many of the recalls are for older models – 2001-2007 Honda Accord, 2008 Infiniti, 2010-2013 Ford Taurus, as well as a great many additional older models. Even worse, many of these recalls go unresolved.

The volume of these recalls is in part related to the increasing complexity of automobiles – a complexity that is going to continue to grow over time. The increasing complexity of vehicle systems and the need for vehicles to be operated in uncontrolled environments by the general public and without any room for failure places NHTSA in an ever increasing central role to protect the motoring public from harm. The need for both a robust safety recall identification process and a highly effective recall dissemination system are both key to NHTSA achieving these objectives. It is not enough for NHTSA to improve the identification of recall problems and have effective engineering solutions designed to correct the problems. It is also necessary to successfully communicate to all owners, sellers and purchasers of the affected vehicles that there is an open recall outstanding on those vehicles.

In the case where a new recall notice is issued after a vehicle has already been sold to the public, the ability to identify and communicate with the vehicle owner based upon manufacturer records is primarily effective where the original purchaser of the vehicle from the franchise dealer still owns the vehicle and where the address on file with the manufacturer is still the current address of the owner.

Alerting consumers of safety recalls for older used vehicles becomes more challenging as the vehicle is more likely to have changed hands once or even multiple times. In cases where the recalled vehicle is a used vehicle that has already been sold to a second owner or where the original owner still owns the vehicle but has moved to another jurisdiction, the manufacturer’s owner address records are very highly compromised and out of date. In the situation where the original owner has moved subsequent to purchasing the vehicle, the address on file is often a dead lead; and in the case where the vehicle has been resold by the original owner to a subsequent buyer, the wrong individual is



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typically listed as the owner of the vehicle in the manufacturer's recall database. When manufacturer ownership records provide the basis for notification of all current vehicle owners, it is difficult to ensure that the recalls of resold, transferred and relocated vehicles are brought to the attention of the current vehicle owner and resolved before instances of injury or even death can take place, as appears to have occurred in this situation recently reported upon in the *New York Times*.

Obviously, safety recall notices are critical for the public. Below is an example of an actual open safety recall notice as posted on the NHTSA recall website SAFERCAR.gov. As you can see, the importance to the public of being protected from acquiring vehicles with these open safety recall notices is of utmost importance.

### Recalls Results Look-up by VIN

[Print](#)

**VIN:** 2T1KR32E24C195653  
**Year:** 2004 **Make:** TOYOTA **Model:** Matrix  
**Number of Open Recalls:** 1

**NHTSA Recall Number:** [13V029](#) **Recall Date:** January 30, 2013  
**Manufacturer Recall Number:** D0B

**SUMMARY:**  
Toyota is recalling certain model year 2003-2004 Corolla and Corolla Matrix vehicles and 2003-2004 Pontiac Vibe vehicles. The supplemental restraint system (SRS) circuits are susceptible to internal shorting. The electrical short may create an abnormal current flow and increased heat which can damage the circuits. This could result in an inadvertent deployment of the front airbags and/or seat belt pretensioners.

**SAFETY RISK:**  
Inadvertent deployment of the airbags or the seat belt pretensioners may increase the risk of injury and the possibility of a vehicle crash.

**REMEDY:**  
Toyota will notify their owners, and general motors will notify theirs. Dealers will install a supplemental harness containing an electrical filter between the airbag control module and its wire harness, free of charge. The recall began on March 13, 2013. For more information, Toyota owners may call 1-800-331-4331 and pontiac owners may call 1-800-620-7668.

**RECALL STATUS:** Recall **INCOMPLETE**

**MANUFACTURER NOTES:**

THIS RECALL DATA LAST REFRESHED: Jan 16, 2015

**Additional Safety Information**  
Besides the VIN search tool you just used, NHTSA offers additional safety information based on a vehicle's make, model, and model year and not tied to any particular VIN. A search by vehicle make, model, and model year gives you access to information about technical service bulletins, NHTSA investigations, and owner complaints, as well as safety recalls on aftermarket equipment that is often not linked to a particular VIN or even to your vehicle's manufacturer.

To search NHTSA's safety information based on your vehicle's make, model, and model year, please go to the [Safety Issues section](#) and follow the instructions there.

Recall information for this manufacturer is only available going back to January 01, 1999. If your vehicle was manufactured before this date, please contact the manufacturer for possible additional recall information.

With the introduction of its comprehensive VIN-based database, NSVRP believes that NHTSA could utilize NMVTIS as an inquiry access portal so that recall information is available for the approximately 30 million consumers who purchase used cars each year from franchise dealerships,

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independent dealerships and casual sources including private individuals, Craigslist, EBay Motors, curb stoning, etc.

NMVTIS is a massive repository of title branding and total loss information. Insurers, salvage pools, junkyards and recyclers in all 50 states are required to directly report all the total-loss vehicles they handle to NMVTIS independent of status of their state's reporting, and they update their data within 30 days of acquiring or reselling a salvage or total-loss vehicle. Similar to a "brand" providing insight into a vehicle's current or prior condition, recall information provides consumers with valuable information about a vehicle's condition and history. While it is prudent to have various sources of important recall information, consumers should not be required to – nor are they likely to – look in multiple places for their vehicle's history.

Even more critical than NMVTIS serving as a repository for total-loss and title and brand information is the structural role NMVTIS has in the process of title and branding updating within the jurisdictions as well as in the verification process used by jurisdictions when renewing or transferring titles. It is the fact that NMVTIS is already integrated in this gatekeeping role that makes including access to the open recall information on each vehicle in the system so critical to public safety. Essentially, by having NMVTIS play the role of a central access point of reference for open recall information that is accessed during the vehicle titling and re-registration process, NHTSA can help ensure that the public is guaranteed to have knowledge of open recalls regardless of any other limitations in the system or a failure to identify the current owner of a vehicle. In fact, it is just these situations that are most subject to being missed under the current recall notification process.

NMVTIS is also used by many parties when considering the purchase of used vehicle. In California, for example, any used car offered for sale by a dealer must exhibit a warning sticker if there is a known title brand or prior report of salvage history. If NMVTIS included the open recall history, every used vehicle offered for sale by a dealer could automatically be subject to the requirement of reporting that there are notices of open recalls in NMVTIS even before the consumer actually purchases the vehicle.

NMVTIS usage is not limited to consumer purchasers of vehicles. Used car dealers, repairers and rebuilders also use NMVTIS when purchasing vehicles. Including the open recall history in NMVTIS would allow these businesses to be aware when they purchase such a vehicle that they must make necessary repairs to include any open recalls, and in the case of a recycler to be aware of any parts that should not reenter the recycled parts market.

NSVRP can easily envision building upon the existing NHTSA recall architecture where the manufacturers maintain the open vehicle recall database, and as they perform warranty recall repairs they clear those VINs from the open recall list. Under the current process NHTSA points to the manufacturer databases and gets current open recall status that is updated in real-time because the data is actually polled from the live manufacturer recall databases. NSVRP would envision that an inquiry into NMVTIS would then link to the NHTSA portal in a computer to computer link, and NHTSA would process the inquiry through to the manufacturer recall systems and return the response to NMVTIS in the same way NHTSA would return a normal inquiry made through a normal Internet

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based inquiry. The process would be streamlined, consistent with current practice and seamless to the user. NMVTIS already supports seamless transactional links to other databases when processing inquiries – the NHTSA safety recall portal would just be one more example of such a linking process.

Each state is required to perform an instant title verification check before issuing a certificate of title for a vehicle that an individual or entity is bringing into the state and are also required to make select titling information that they maintain available for use in NMVTIS. Furthermore, states are encouraged to use NMVTIS whenever possible for verification of all transactions, including in-state title transactions, dealer reassignments, lender and dealer verifications, updates, corrections and other types of title transactions.

According to the most recent statistics, roughly 96 percent of U.S. DMV data is represented in the system. Thirty-seven states are fully participating by providing data and inquiring into the system before issuing new titles, and the remaining states are on track to also be included soon. As of December 2012, NMVTIS had over 410 million current state title records on file, 385 million title history records for vehicles that were retitled into another state, more than 76 million brand records, and more than 52 million reported total loss vehicle records. In the last six months of 2012 alone, NMVTIS processed over 31 million title updates, 2.5 million brand updates and added roughly 6 million new junk/salvage/insurance records.

Clearly, NMVTIS is a capable, extensive infrastructure for dissemination that is already integrated with state DMVs and could provide critical distribution of important safety recall information, either providing information directly to consumers who run a NMVTIS search before purchasing used vehicles, or by notification by the state DMV when vehicles with unresolved recalls are re-titled or re-registered.

As manufacturers develop databases of the VINs of vehicles with open recalls, that information would immediately be available when an inquiry is made into NMVTIS. As dealers clear recalls, that information is immediately accessible via the NHTSA linkage to that manufacturer's database and the recall will show as having been resolved. If a consumer queries NMVTIS before making a used car purchase, that consumer will be aware of the recall through a linkage from NMVTIS to NHTSA and will be protected from being unaware of the open recall status. If the consumer is alerted to the recall when they re-title a vehicle that they previously had purchased and operated, that consumer will be alerted to the need to have the open safety recall issue resolved.

NSVRP also endorses a determination by NHTSA that vehicles with open safety recalls cannot be sold by dealers to the retail public, nor allow such vehicles to be rented or leased to the public with such open safety recalls outstanding. Such a requirement would best protect the retail public and NSVRP strongly supports NHTSA's advocating such a policy.

It is important to note that a similar linkage approach was successfully utilized for the CARS program. NMVTIS is even more recognized today as an access tool for information regarding the condition of the car, and is even more integrated into the structural processes of states and those businesses selling used and salvage vehicles. Dealers disposing of CARS program vehicles were

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required to report into NMVTIS the name of the end-of-life entity to which the vehicle was resold, and the end-of-life buyer was required to report the 'SCRAP' status of the vehicle into NMVTIS and directly to the dealer. Many used car dealers and auto auction companies are registered NMVTIS users and report regularly into the system already.

Finally, NSVRP believes that the point of purchase is the right place to make this information available to used car buyers. An initial step in instituting a process which involves sellers in disclosing important recall information could come with requiring salvage auto auctions to post information on unresolved recalls in their auction listings. Salvage auto auctions would be a natural entry point for providing this information via NMVTIS given that salvage auto auctions are required to report into NMVTIS all vehicles that they 'own or acquire,' as long as they handle more than five salvage vehicles per year. The recall notice could be made available upon their query into the system and that information could easily be provided to potential purchasers.

NSVRP believes that NMVTIS would provide for NHTSA an extremely integrated approach of reaching a broad swathe of the U.S. car-buying public without NHTSA having to build a system from the ground up. Many consumers are already familiar with NMVTIS and many motor vehicle departments and NMVTIS reporting entities, including used car dealers and auto auctions, use the system on a regular, if not daily, basis. Utilizing NMVTIS for recall information would mean that recalls could be accessed in a timely manner that would help to get more vehicle recall issues resolved, while eliminating loopholes and opportunities for people to mishandle important information. Linking NMVTIS to the NHTSA safety recall system via an inquiry link can be implemented with minimal effort and would greatly expand the effectiveness of the NHTSA safety recall program by building upon the existing NMVTIS integration in the title and registration processes that already rely upon accessing the DOJ NMVTIS system. It is an example of government agencies working together at the best to support the public interest and to further their joint objectives in a highly cost effective manner.

Members of the NSVRP board would be happy to discuss this matter with you further at your convenience. More information may also be found at [www.NSVRP.org](http://www.NSVRP.org). Please do not hesitate to contact me if you have any questions.

Respectfully submitted on behalf of the NSVRP Board,

A handwritten signature in black ink, appearing to be "H. Nusbaum", written over a white background.

Howard Nusbaum  
Administrator  
National Salvage Vehicle Reporting Program

Cc: [REDACTED]