



*In partnership with the American Association of Motor Vehicle Administrators (AAMVA)*

# National Motor Vehicle Title Information System

## Executive Summary

*NMVTIS allows an electronic means to verify and exchange titling, brand, and theft data among motor vehicle administrators, law enforcement officials, prospective purchasers and insurance carriers.*

### State Participation

Currently, 25 states are involved in NMVTIS (60% of the U.S. vehicle population is represented) and 11 states are in development. Levels of state involvement are as follows:

#### Participating

States that check NMVTIS via a standalone (pending) or integrated query function before a new title is issued and provide title data to NMVTIS as required are considered participating.

#### Providing Data

States provide files of all active titles and brands to the NMVTIS Vehicle Identification Number (VIN) pointer and brand files. The state provides regular updates to the central files on a real time or at least every 24 hours.

#### In Development

States that have set an NMVTIS participation goal, a strategy and timeline developed in coordination with AAMVA, and the resources needed to begin the development process are considered to be in development.

*\*While it is not required by DOJ or the Anti-Car Theft Acts, AAMVA encourages states to fully integrate the NMVTIS inquiry and data sharing processes into its titling system(s) for purposes of efficiency and overall effectiveness.*

### Enabling Legislation for NMVTIS

The Anti Car Theft Act of 1992 (Public Law 102-519) and the Anti-Car Theft Improvements Act of 1996 (Public Law 104-152).

### Car Theft is a Profitable Business - \$8 Billion per Year

Before NMVTIS, a thief could steal a car, then take it over the state line and get a valid title by presenting fraudulent ownership documentation. Or, the thief could steal a car, switch the VIN plate for one from a junked car, and get a valid title for the stolen car. These activities were possible because the states had no instant, reliable way of validating the information on the ownership documentation prior to issuing the new title.

### Data Available

Data supported by this system include:

- title data
- odometer data
- theft data
- detailed vehicle data
- brand history
- other data

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## **Fraud Affects the Economy and Consumer Safety**

Vehicles that incur significant damage are considered “junk” or “salvage.” Fraud occurs when these vehicles are presented for sale to consumers without disclosure of their real condition. The unknowing consumers pay more than the vehicle is worth, and may be unsafe to drive.

State titling agencies “brand” titles that are junk or salvage. However, some of these brands are lost when the paper titles travel from state to state – this is called title washing.

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## **NMVTIS Reduces Titling of Stolen Cars and Reduces Fraud**

See

<http://www.aamva.org/AAMVA/indexNMVTISReport.html> for the full report on the pilot evaluation.

NMVTIS allows state titling agencies to verify the validity of ownership documents before they issue new titles. NMVTIS also checks to see if the vehicle is reported “stolen” – if so, the states don’t issue the new titles. Brands are not lost when the vehicle travels from state to state, because NMVTIS keeps a history of all brands ever applied by any state to the vehicle.

A pilot of NMVTIS showed that NMVTIS could reduce the incidence of insurance payoffs on stolen vehicles by more than \$200 million per year. The pilot showed that NMVTIS could prevent title washing of about 60,000 brands per year.

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## **NMVTIS Benefits Everyone**

NMVTIS is a powerful tool that will allow for:

- state titling agencies to prevent fraudulent title documents by verifying the vehicle and title information, information on all brands ever applied to a vehicle, and information on whether the vehicle has been reported stolen – all prior to issuing a new title. The VIN is checked against a national pointer file, which provides the last jurisdiction that issued a title on the vehicle and requests details of the vehicle from that jurisdiction. The details include the latest odometer reading for the vehicle. Verification of this data will allow for a reduction in the issuance of fraudulent titles and a reduction in odometer fraud. Once the inquiring jurisdiction receives the information, it can decide whether to issue a title; if so, NMVTIS notifies the last titling jurisdiction that another jurisdiction has issued a title. The old jurisdiction can then inactivate its title record. This will allow jurisdictions to purge inactive titles.
- an accurate listing of vehicles that are reported as junk or salvage. The Act requires junk yards, salvage yards, and insurance carriers to report monthly to NMVTIS on all junk and salvage vehicles obtained.
- law enforcement to use NMVTIS to further its investigations of theft and fraud.
- consumers to access information on the vehicle’s current title, including brands and odometer, prior to purchasing the vehicle. This allows the consumer to make a better-informed purchase.

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## **NMVTIS Funding**

States should consider resources through BJA. Specifically:

- funding available through the Justice Assistance Grants (JAG) Program may be used. For JAG state administering agency contacts, visit <http://www.ojp.usdoj.gov/saa/>.
- onsite and remote technical assistance can be used by states to develop and improve connectivity with NMVTIS, and to improve technical business processes related to information sharing with NMVTIS. The cost of such technical assistance is covered by BJA and is provided by industry experts knowledgeable in information sharing processes and issues. For more information, visit <http://www.ojp.usdoj.gov/BJA/tta/index.html>.