



TECHNICAL ADVISORY

DIVISION OF MOTORIST SERVICES

DATE: December 18, 2014	Technical Advisory RS/TL14-021
SUBJECT: Adding a Lien to a Derelict Certificate of Title	

Overview:

It has come to our attention that some clerks are adding liens to vehicles with derelict motor vehicle certificates. While clerks should not be doing this, FRVIS allows the lien to be placed. Correcting this will require FRVIS programming, and we don't know when this can be done. It could be delayed until modernization of FRVIS..

Details:

Therefore, when processing a derelict certificate in FRVIS, a lien should **NEVER** be added at the time of the transaction or after the derelict certificate has been issued, even though FRVIS will allow it. A derelict vehicle is considered a junked vehicle, which has been destroyed, dismantled, or crushed. Therefore, adding a lien to the derelict record is meaningless.

Scenario: A derelict certificate is processed in FRVIS and a derelict certificate is issued. The physical Florida title is later submitted to an agency with a notice of lien. This is a possible title fraud issue, as it appears the customer borrowed money using the vehicle title while selling the vehicle itself to a recycler for scrap, knowing the lienholder would be submitting the title to have their lien applied. For information on suspected title fraud, refer to DMS Procedure TL-56 at <http://www3.flhsmv.gov/dmv/Proc/TL/TL-56.PDF>.

Another possibility is that the derelict certificate was issued in error. If this is the case, the Department may cancel the derelict certificate and reinstate the previous record, which includes updating NMVTIS to remove the "Junk" brand code. Once the previous title record has been reinstated, the lien add may be processed. To cancel the derelict, the salvage yard/metals recycler must submit the following:

- The original derelict certificate (or an affidavit stating that it has been lost or stolen)
- An affidavit stating the reason for the error
- Verification of the VIN by a law enforcement officer (ONLY) either on their letterhead stationery or on form HSMV 82042.
- Mail to the following address:

Division of Motorist Services
ATTN: Title and Registration Issuance
2900 Apalachee Parkway, MS #72
Tallahassee, Fl. 32399

Conclusion:

If you have any questions or need additional information, please contact the Field Support Center.