

## *Message from our friends at Auto Data Direct*

# NMVTIS 101: What You Need to Know About Federal Reporting

NMVTIS (nim • VEE • tus or nim • VIT • us) n. acronym: National Motor Vehicle Title Information System

1. A national storehouse of automobile information used to protect states and consumers from fraud and unsafe vehicles, and to prevent VINs from destroyed vehicles from being used for illicit purposes.
2. A federal reporting requirement for all state jurisdictions, insurers, junk and salvage yards, dismantlers, scrap yards, crushers, metal shredders, auto recyclers, salvage pools or any business that deals in junk and salvage vehicles.

What is NMVTIS, exactly? The National Motor Vehicle Title Information System (NMVTIS) is a U.S. Department of Justice (DOJ) database operated by the American Association of Motor Vehicle Administrators (AAMVA) that contains automobile information from states, insurance carriers and the salvage industry.

Beginning in March 2009 every business that handles junk, salvage or total loss vehicles must report specific pieces of information about those vehicles to the national database. States report title information and use the database to check out-of-state titles in NMVTIS before issuing a new title, to ensure that title brands (such as FLOOD or REBUILT) issued in one state move with the vehicle to other states. Consumers and insurers can use the reported information to make sure a used car has not been totaled or rebuilt without their knowledge. The NMVTIS database is also meant to provide a clear chain of possession for end-of-life vehicles. For law enforcement, NMVTIS helps prevent theft and fraud by reducing thieves' ability to steal vehicles and swap out VIN plates, or get clean titles on stolen vehicles.

Do you have to report? In general, if you own, control, handle, or acquire more than five junk or salvage vehicles a year, you must report to NMVTIS. It doesn't matter if your business type isn't specifically listed in the DOJ ruling; if you deal in salvage vehicles, you are affected by these requirements.

What qualifies as a junk or salvage vehicle? According to the federal rule, junk vehicles are vehicles incapable of operating on public streets, roads, and highways with no value except as a source of parts or scrap. These vehicles may be acquired for resale in their entirety or as spare parts, for rebuilding, restoration, or crushing. Salvage vehicles are also automobiles damaged by collision, fire, flood, accident, trespass or other event to the extent that the fair salvage value plus the cost of repair for legal operation would be more than the fair market value of the automobile immediately before the damage occurred. This definition includes all automobiles declared a total loss under the laws of its state or declared a total loss by its insurance carrier's policies.

What does all this mean? Basically, if a vehicle will be used for parts or rebuilding, if it will be

crushed, if the cost to repair a vehicle is more than the vehicle is worth, or a vehicle is connected with a total loss insurance claim, it's a junk or salvage automobile and must be reported. Please keep in mind that this definition does not consider title brands or status-- even a car with a "clean" title must be reported if it fits the federal salvage definition.

What is NOT a salvage vehicle? Under the NMVTIS guidelines, if a qualified independent appraiser determines that a vehicle does not meet the definition of a salvage or junk automobile, it does not have to be reported. This determination must be in writing and made after performing a good-faith physical and value appraisal. The DOJ recommends that junk and salvage yards retain the reports and written appraisals for a period of ten years from the date of the report.

What do you report? For each junk and salvage vehicle you handle, you should provide your business contact information, the VIN, the date the vehicle was obtained and who it was obtained from. Salvage reports are also required to include a statement of the vehicle's disposition (if it will be used for parts or rebuilding, crushed or sold) and if it will be exported out of the US.

The rules require you to report a vehicle within 30 days of receiving it. You should make an initial report within 30 days of taking a vehicle into inventory, and a supplementary report within 30 days of a change to the vehicle disposition (such as when a rebuilder is sold, or a parts vehicle is crushed).

If you will receive a vehicle and dispose of it (by crushing or selling the vehicle) within 30 days, you are allowed to make only one report indicating the final disposition. You should not report a vehicle as crushed until the vehicle has actually been crushed, because reporting a vehicle with a disposition of CRUSH indicates that the vehicle has reached the end of its life and can never again be sold, titled or used as a motor vehicle.

Is it too late to begin reporting? If you've never made a NMVTIS report, or you've only reported some of your salvage vehicles, it's not too late to catch up. The Department of Justice has stated that even if you are late beginning NMVTIS reporting, when you do make your first report, you should include ALL junk and salvage vehicles that you have taken in since March 1, 2009.

NMVTIS is a federal program, and the reports are separate from your state regulations. It is important to understand the NMVTIS requirements, because it is not your state's responsibility to report information to NMVTIS on your behalf; it is ultimately your responsibility to ensure your business is in compliance.

How do you report? NMVTIS reports are made through approved data consolidators. Consolidators collect the required information, format it and insert it into the NMVTIS database.

Auto Data Direct, Inc. (ADD) is one of 3 approved consolidators. Its NMVTIS upload tools are designed to help you fulfill the reporting requirement quickly and easily. Two account types are available to suit any size business or upload volume. Full Service accounts include individual vehicle entry, batch vehicle entry using a spreadsheet and business-to-business processing which can be arranged with the customer's IT staff, all for a low per-report fee. Basic Service accounts include no-cost individual entry and emailed confirmation receipts. For more information visit ADD's website at [add123.com](http://add123.com) or call customer service at 866-923-3123.

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