

	INDIANA DEPARTMENT OF CHILD SERVICES TITLE IV-D POLICY MANUAL	
	Chapter 12: Enforcement	Effective Date: 06/12/2025
	Section 5.2: Bureau of Motor Vehicle (BMV) Liens	Version: 2.0 Revision Date: 06/12/2025

BACKGROUND

The federal government requires each State to have laws and procedures in place to provide for and improve the effectiveness of the Title IV-D program.¹ Title IV-D agencies are required to enact procedures for the use of personal property liens, such as motor vehicle liens, as an administrative enforcement tool to collect past-due child support from obligors.² The Bureau of Motor Vehicles (BMV) processes all requests for motor vehicle titles in Indiana. On July 1, 2023, the electronic lien process became required by the BMV. The title can be paper or electronic depending on the lien holder. While the Child Support Bureau (CSB) received paper titles in the past, CSB now only receives electronic titles from BMV.

DEFINITIONS

1. **“E-lien Service Provider”** is a third party who is contracted with the Indiana BMV to provide e-lien services to lienholders, facilitate the electronic transmission of lien data between the BMV and participating lienholders.

POLICY

Liens may be placed on titled vehicles reported by BMV to the CSB, such as passenger cars, sport utility vehicles, pickup trucks, motorcycles, and mobile homes. The arrears threshold criteria for BMV lien submission is \$1,000.00, or three (3) months of delinquent child support payments, whichever is less.³

REFERENCES

- [IC 4-21.5-5-4](#): Exhaustion of administrative remedies; waiver of right to review
- [IC 9-17-5-6](#): Statewide electronic lien and title system
- [IC 9-22-6-2](#): Lien for labor on, materials for, storage of, towing of, or repair of vehicles
- [IC 26-1-9.1-333](#): Priority of certain liens arising by operation of law
- [IC 31-25-4-30](#): Child support obligation lien list; motor vehicle liens
- [42 U.S.C. § 666](#): Requirement of statutorily prescribed procedures to improve effectiveness of child support enforcement
- [45 C.F.R. § 302.70](#): Required state laws
- [CSB-AT-160](#): Bureau of Motor Vehicles (BMV) Lien Processing Interface
- [CSB-AT-219](#): BMV Lien Procedures Update

¹ 42 U.S.C. § 666(a)(4); 45 C.F.R. § 302.70(a)(4)

² 45 C.F.R. § 302.70(a)(4)

³ CSB-AT-284

- [CSB-AT-284](#): BMV Lien Procedures Update
- [CSB-AT-404](#): Updated Vehicle Lien Release Process
- [Martin v. Monroe County Plan Commission](#), 660 N.E.2d 1073 (Ind. Ct. App. 1996)

PROCEDURE

1. Automated BMV Lien Procedures

Daily, the statewide child support system submits through an interface to BMV a list of obligors who meet the threshold for lien processing. When an obligor on that list attempts to title a vehicle, a match occurs. When CSB is identified as a potential lien holder, BMV provides the obligor with a Notice of Intent, giving the obligor notice that a lien will be recorded against his or her vehicle.

When a match is found, BMV relays the following information back to the statewide child support system:

- The obligor's name(s) and Social Security number (SSN);
- Vehicle title number;
- The lienholder information;
- The vehicle's make, model, and year;
- The purchase date; and
- The vehicle identification number (VIN).⁴

A worklist item is generated to the Title IV-D Prosecutor's Office when an obligor applies for a replacement title or a title for a newly purchased vehicle and the obligor is on the BMV lien submission list. The Title IV-D Prosecutor's Office has two (2) days from the time they receive the worklist to enter a response (e.g., ACCEPT or REJECT). If the Title IV-D Prosecutor's Office does not respond within the allotted two (2) day time frame, the statewide child support system transmits the lien request to BMV on the third day.⁵ Weekend days such as Saturday or Sunday are not included in this time frame, however weekday holidays are included in the allotted time frame.

If a lien is accepted, the statewide child support system will record the lien as a paper title pending any updates from the BMV system. If the first lien holder is not an E-lien Service Provider and a paper title is issued, CSB keeps the lien record in the statewide child support system as a paper lien and BMV will send a paper title to the first lien holder.

If CSB is the first lien holder or the first lien holder is an E-lien Service Provider, CSB will be notified of the successful placing of the lien through the interface with the statewide child support system. The statewide child support system will record the eligible lien and mark it as electronic in the statewide system. The obligor can view the status of his or her title on MYBMV.com.

⁴ CSB-AT-160

⁵ CSB-AT-284

Any obligor whose case(s) no longer meets the submission criteria will be omitted from the next day's BMV submission file. A case no longer meets the submission criteria when:

- a. The case is closed to Title IV-D services;
- b. The arrears are paid in full; or
- c. STOP is entered in the LIEN or SPLH line on the enforcement screen of the statewide child support system.⁶

If an obligor's name is removed from the BMV submission file, then the obligor is no longer eligible for a lien, and any lien in effect will be automatically released. If the lien is on an electronic title, the interface will send the release information to BMV and BMV will flag the title for the next lien holder. If the lien is on a paper title, a lien release letter will be mailed out to the obligor.

If CSB has the paper title, it will be mailed to the obligor or next lien holder. BMV will mail the title to the vehicle owner when all liens are released on that vehicle.

2. Priority of the CSB Lien on a Vehicle with Multiple Liens

CSB's lien on a vehicle title is subordinate to a prior perfected security interest, such as a lien held by a bank or lessor.⁷ CSB's lien may also become subordinate to after-acquired interests in situations where there is a possessory lien such as a mechanic's lien for unpaid labor on, materials for, storage of, towing of, or repair of the vehicle.⁸

If CSB is the first lien holder and holds the title, CSB's lien takes priority over any subsequent liens from other agencies, such as the Internal Revenue Service (IRS) or a financial institution.

3. When Obligor No Longer Owns the Vehicle

a. Sale or Trade-In

Sale of a vehicle with a lien is ordinarily contingent on the release of that lien. The Title IV-D Prosecutor's Office has the discretion to determine the lump sum amount it will accept to satisfy the lien. The lump sum amount is negotiated between the Title IV-D Prosecutor's Office and the obligor. If the obligor sells the vehicle, the purchaser (e.g., as a trade-in to a dealership or as a private sale to an individual) is responsible for performing a title search to find out if there are liens on the vehicle. If the purchaser neglects to perform a title search before purchasing the vehicle from the obligor, the Title IV-D Prosecutor's Office may require the purchaser to make a lump sum payment to satisfy the lien. Proceeds from the sale of the vehicle should be divided among the lien holders based on priority. After the Title IV-D Prosecutor's Office determines the lump sum payment amount to be received from the purchaser, the Title IV-D Prosecutor's Office will fill out the Vehicle Lien Request Form and submit it to CSB. CSB will send the purchaser a letter of guarantee. The letter of guarantee is sent in an attempt to get the purchaser to agree to send a

⁶ CSB-AT-219

⁷ IC 31-25-4-30(b)

⁸ IC 9-22-6-2(a)(b); IC 26-1-9.1-333

portion, or all, of the designated lump sum amount to the Indiana State Central Collection Unit (INSCCU) to satisfy the lien and assume ownership of the title.

CSB and the Title IV-D Prosecutor's Office will continue to monitor the case. Once the settlement payment has been posted by INSCCU, CSB will release the lien in the statewide child support system. If the lien is on an electronic title, the interface will send the release information to BMV. CSB will identify if the title is to be mailed to CSB so that it can be mailed to the purchaser. BMV will create a physical title and send it to CSB. Once CSB has the paper title, or if CSB already had the paper title, it will be mailed to the purchaser with a lien release letter. If the lien is on a paper title not in CSB's possession then the lien release letter will be mailed to the purchaser.

b. Repossession

If CSB is the first lien holder when the vehicle is repossessed, CSB and the Title IV-D Prosecutor's Office communicate by email or phone to negotiate a lump sum payment amount to be paid by the car lot, dealership, bank, or loan company before the title is released. When CSB is listed as the subordinate lien holder, CSB and the Title IV-D Prosecutor's Office communicate by email or phone to determine if it will release the lien upon receipt of the certificate of repossession from the first lien holder.

c. Totaled Vehicle

If the vehicle is involved in a car accident and "totaled out" by an auto insurance company, the insurance company will determine the vehicle's value and the settlement amount. The insurance company will notify the Title IV-D Prosecutor's Office of the accident and settlement amount. The Title IV-D Prosecutor's Office is responsible for obtaining the insurance claim number, the name of a contact person, and phone and fax numbers for future correspondence.

After the Title IV-D Prosecutor's Office determines the lump sum payment amount the Title IV-D Prosecutor's Office will fill out the Vehicle Lien Release Request Form and submit it to CSB. CSB will send the insurance company a letter of guarantee. The letter of guarantee is sent in an attempt to get the insurance company to agree to send a portion, or all, of the settlement amount to the INSCCU to satisfy the lien and assume ownership of the title.

CSB and the Title IV-D Prosecutor's Office will continue to monitor the case. Once the settlement payment has been posted by INSCCU and CSB has received from the insurance company a limited power of attorney, CSB will release the lien in the statewide child support system. If the lien is on an electronic title, the interface will send the release information to BMV. CSB will identify if the title is to be mailed to CSB so that it can be mailed to the insurance company. BMV will create a physical paper title and send it to CSB. Once CSB has the paper title, or if CSB already had the paper title, it will be mailed to the insurance company with a lien release letter. If the lien is on a paper title not in CSB's possession, then the lien release letter will be mailed to the insurance company.

If the insurance company does not agree to send a portion of the settlement amount to satisfy the lien, the Title IV-D Prosecutor's Office has the option to either release the lien without payment or refuse to release the vehicle lien until payment is received from the obligor.

4. Lump Sum Payment Guidelines

The vehicle lien release lump sum payment amount is set at the sole discretion of the Title IV-D Prosecutor's Office, up to the amount of the obligor's arrears balance. The Title IV-D Prosecutor's Office has the authority to negotiate a lower amount to be paid on these cases and does not need the approval of CSB.

Several factors may be considered to determine the lump sum lien release payment amount, such as the facts of the case, the amount of the arrears, and the estimated value of the vehicle based on its condition and/or mileage, if known.⁹ The Title IV-D Prosecutor's Office may use online vehicle appraisal websites, such as the National Automobile Dealers Association, Edmunds, or Kelley Blue Book, to determine the estimated value of the obligor's vehicle(s).

The Title IV-D Prosecutor's Office may choose to set a lien release payment amount that is equal to a percentage of the vehicle's estimated value, taking into account the obligor's ability to pay or other relevant circumstances of the case.

5. Releasing a Lien

The Title IV-D Prosecutor may agree to release the vehicle lien if the obligor contacts the Title IV-D Prosecutor's Office to negotiate the release of the vehicle lien on his or her case. The Title IV-D Prosecutor's Office may require the obligor make a lump sum payment that will either pay the arrears in full or bring the arrears below the \$1,000.00 or three (3) months delinquent threshold. The Title IV-D Prosecutor's Office also has the discretion to negotiate a payment plan that does not meet the aforementioned criteria; however, please note that the obligor will continue to be submitted on the BMV lien submission list. (Please see FAQ #1.)

If the Title IV-D Prosecutor's Office agrees to release the obligor's lien, the Title IV-D Prosecutor's Office will fill out the Vehicle Lien Release Request Form and submit it to CSB. CSB will release the lien in the statewide child support system. If the lien is on an electronic title, the interface will send the release information to BMV. CSB will identify if the title is to be mailed to the obligor in the interface. If there is a secondary lien holder, BMV will flag the title for the next lien holder. BMV will mail the title to the vehicle owner when all liens are released on that vehicle. When a lien is placed on an electronic title, BMV does not process an actual paper title until all liens are released on that vehicle. If the lien is on a paper title, a lien release letter will be mailed to the obligor. If CSB has the paper title, it will be mailed to the obligor or next lien holder as appropriate.

When the arrears are paid in full, the lien is automatically released in the statewide child support system.¹⁰

⁹ CSB-AT-404

¹⁰ CSB-AT-219

Please note that if the obligor has multiple Title IV-D cases that meet the delinquency threshold, all cases must satisfy the lien release requirements before the lien is completely released in the statewide child support system.¹¹

After determining that a lien release is appropriate, the Title IV-D Prosecutor's Office must fill out the Vehicle Lien Release Request Form and submit it to CSB. This will alert CSB to send a lien release letter. CSB will only mail the lien release letter (and the title, if available) to the obligor after all the liens on that vehicle have been released in all the obligor's cases in all counties.

Once a lien is released, a lien release letter is generated by the CSB print vendor. The letter varies slightly depending on whether the title is electronic or paper and also whether CSB is the current lien holder or physically has the title.

If it is an electronic title, the lien release is electronically sent to BMV, a lien release letter is generated to the obligor, and a notification is sent to the next lien holder. If there are no other lien holders, BMV will issue a paper title to the obligor. This can take up to 15 days and the obligor may view updates in MYBMV.com

For paper titles, the case will appear on CSB's daily Potential Title Release Report (WEAAD485) if:

- a. CSB is the first lien holder or the lien record indicates that CSB has the physical title;
- b. The date of release has been entered for all applicable cases in the statewide child support system; and
- c. The release reason has been entered for all applicable cases in the statewide child support system.

This report alerts CSB to mail the paper title to the obligor, if available, or to send the obligor a lien release letter. However, if an additional lien holder is listed on the vehicle title, CSB will mail the physical title, if available, to the second lien holder.

If CSB is the second lien holder, the statewide child support system will automatically generate the release notice to the obligor and the first lien holder.¹² These releases are printed and mailed by CSB's print vendor.

FORMS AND TOOLS

1. [Certificate of Repossession: Indiana State Form 39738](#)
2. [Vehicle Lien Release Request Form](#)

FREQUENTLY ASKED QUESTIONS

1. Q. If the Title IV-D Prosecutor's Office agrees to release a vehicle lien after the obligor

¹¹ CSB-AT-404

¹² CSB-AT-219

makes a payment to satisfy the lien, but the arrearage still meets the threshold criteria, will a new lien be placed on the vehicle? (Example: The arrearage is \$5,000.00, the value of the car is \$1,000.00 and the obligor makes a payment of \$1,000.00. However, the arrearage is still over the threshold amount of \$1,000.00.)

- A. The Title IV-D Prosecutor's Office will continue to receive a worklist item with notice that the obligor is on the BMV lien submission list and a new lien may be placed on that vehicle title which had been previously released if the arrearage meets the threshold amount of at least \$1,000.00 or three (3) months of delinquent child support.

The Title IV-D Prosecutor's Office has two (2) days from the time they receive the worklist to enter ACCEPT or REJECT on the lien record in the statewide child support system. If the Title IV-D Prosecutor's Office does not respond with a REJECT within the allotted two (2) day time frame, the statewide child support system will transmit the lien request on the vehicle title which had been previously released to BMV on the third day.¹³

In order to prevent a recently released electronic lien from reattaching to the same vehicle, if that same VIN is received as a match for a new lien within 2 days of the lien being released then a CSB worker will attempt to go in and reject these new matches.

In order to prevent receiving this worklist every day for the recently released vehicle title and prevent a lien attachment for the same vehicle, the Title IV-D Prosecutor's Office may consider placing a STOP on BMV liens on the enforcement screen in the statewide child support system. It is imperative that the Title IV-D Prosecutor's Office calendar the case to review at a later date to determine if the STOP is still warranted as the STOP will prevent future liens from being placed on other vehicles if warranted.

The obligor's name will remain on the BMV lien submission list until the arrearage falls below the threshold.

- 2. Q. What happens to a vehicle lien if the obligor dies?
 - A. If the obligor dies, CSB continues to maintain the title lien indefinitely. The executor of the obligor's estate or a family member may call the Title IV-D Prosecutor's Office to request a release of the lien. If the Title IV-D Prosecutor's Office has not previously confirmed the obligor's date of death, the executor of the estate or family member may be asked to provide a copy of the obligor's death certificate. Once the Title IV-D Prosecutor's Office has been notified of the obligor's death, it may decide to either release the lien or refuse to release the lien until after a payment has been made. The Title IV-D Prosecutor's Office may negotiate a lump sum payment to satisfy the lien and provide the terms of the lien release to the executor of the estate.
- 3. Q. What happens to a vehicle lien if the obligor is incarcerated?

¹³ CSB-AT-284

- A. An obligor's incarceration does not automatically release a vehicle lien. The Title IV-D Prosecutor's Office may review the obligor's case to determine whether the lien should be released while the obligor is incarcerated. In making its decision, the Title IV-D Prosecutor's Office may consider the length of incarceration, the ability of the obligor (or someone on his or her behalf) to make payments during long term incarceration, the value of the vehicle, or a payment towards the arrears. The Title IV-D Prosecutor's Office has the option not to release the lien until the amount of the arrearage is reduced below the threshold for placement of the lien.

Due to a Department of Corrections policy, CSB will not send the title to the obligor at a correctional facility's address if the vehicle lien is satisfied. CSB will mail the obligor a Vehicle Title Lien Release letter and authorization form on which the obligor will provide an alternate address to where CSB can mail the vehicle title if they have a paper title in their possession or release the title electronically. Once CSB receives the completed authorization form from the obligor, it will mail the title, if it has a paper title, to the individual at an alternate address designated by the obligor or release the title electronically.

4. Q. Can a lien be placed on a vehicle that is owned by the obligor and another individual?
- A. Yes, CSB may submit a lien request on a vehicle title that is owned by the obligor and another individual. Joint-ownership of a vehicle does not make it ineligible for lien submission. However, the Title IV-D Prosecutor's Office has the discretion to release the lien if it receives a complaint from the co-owner listed on the vehicle's title.
5. Q. Does a trial court have authority to release a vehicle lien placed by the Title IV-D Prosecutor's Office?
- A. No, a trial court does not have authority to release a vehicle lien placed through an administrative enforcement process by a Title IV-D Prosecutor's Office. IC 31-25-4-30 grants the Title IV-D Prosecutor's Office administrative authority to place and release a vehicle lien. The trial court does not have the authority to conduct a judicial review until the obligor has exhausted the administrative remedies for lien release.¹⁴
6. Q. What happens to a vehicle lien if the obligor files for bankruptcy?
- A. If an obligor files for bankruptcy, regardless of the bankruptcy type, CSB will continue to hold the vehicle lien. The Title IV-D Prosecutor's Office is strongly encouraged to monitor the details of the bankruptcy plan, and CSB will release the lien upon the instruction of a bankruptcy court order. Once the lien is released, CSB will mail the physical title or electronically release the lien as directed by the bankruptcy court.
7. Q. Will the pre-existing previous paper liens still be paper liens?

¹⁴ IC 4-21.5-5-4(a); *Martin v. Monroe County Plan Commission*, 660 N.E.2d 1073 (Ind. Ct. App. 1996)

A. Yes, existing liens prior to July 1, 2023 will still be paper liens.

RELATED INFORMATION

1. Chapter 20: Other Child Support Related Topics, Section 2: Bankruptcy

REVISION HISTORY

Version	Date	Description of Revision
Version 1	01/16/2019	Final approved version
Version 1.1	07/28/2021	Updated hyperlinks; Reviewed for accuracy
Version 1.2	05/31/2022	Updated to better reflect current procedures
Version 2.0	06/12/2025	Updated with new process of releasing liens.