AAMVA

American Association of Motor Vehicle Administrators

Jurisdiction Considerations for Electronic Titling Whitepaper

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E-TITLE WORKING GROUP
VEHICLE STANDING COMMITTEE

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Background

In November 2021, AAMVA published the *Electronic Titling Framework* which identifies and describes elements for electronic titling. The framework focuses on defining what electronic titling solutions are and why jurisdictions need to implement a solution with standards, which promote interoperability and reciprocity. This information helps jurisdictions understand the basis of electronic titling, which eliminates paper processes in favor of electronic record exchange for all persons and entities involved in vehicle titling transactions.

This *Jurisdiction Considerations for Electronic Titling Whitepaper* provides 15 topics for jurisdictions to contemplate as they begin or continue their journey towards implementing electronic titling solutions. These considerations build on the *Electronic Titling Framework* by providing information, resources, and questions about the electronic titling elements identified and described. There is not a specified sequence jurisdictions should follow when developing action plans. Jurisdictions are encouraged to review the entire document and prioritize action items based on the needs and goals of the jurisdiction. These considerations are for both an intrastate jurisdiction solution and for compatibility with an interstate interoperable solution and provide a starting point or catalyst for planning and development.

Note: Jurisdictions may encounter additional items which need to be addressed throughout the electronic titling research process that may not be identified in this document.

AAMVA anticipates continuing to assist jurisdictions in moving toward electronic titling solutions by developing guidance and best practices. This information will aid progress towards identifying functional needs for electronic titling solutions.

Jurisdiction Considerations for Electronic Titling

Preparation

a. Have you reviewed AAMVA's *Electronic Titling Framework*?

   1. The *Electronic Titling Framework* provides a baseline of information for electronic titling and can be found here. The federal rule Odometer Disclosure Requirements (49 CFR Part 580) sets a minimum identification level of certainty for electronic odometer disclosures.

b. Have you reviewed the National Institute of Standards and Technology (NIST) standards for identity proofing and authentication (IAL2 and AAL2) found in NIST Special Publication 800-63-3, Revision 3, *Digital Identity Guidelines* (including parts A, B, and C) with a revision date of June 2017?

   1. The NIST standards are the foundation for the requirements to allow an electronic signature for completion of the odometer statement.

   2. The standard is based on NIST Special Publication 800-63-3, Revision 3, Digital Identity Guidelines (including parts A, B, and C) with a revision date of June 2017. Additional information and resources for the Digital Identity Guidelines can be found on the NIST Identity and Access Management Resource Center

Understanding Electronic Titling

a. An electronic titling solution has multiple elements that make up the solution to transition from a paper titling process to an electronic titling process. An electronic titling solution aims to facilitate a secure electronic titling process that no longer relies on physical paper.

b. **Electronic Title (e-title)** – The electronic record (digital data) of vehicle ownership created and maintained by a jurisdiction.

c. **Electronic Title Transfer Process** – Secure, electronic method to validate ownership and facilitate the assignment or reassignment of a vehicle without reliance on a paper process.

d. **Ability to Access Title Information** – Electronic method for an owner or owner's designee to securely access and view title information recorded on the electronic title for the vehicle. This access would be used to provide proof of ownership, if necessary.

e. **Electronic Lien and Title (ELT) and Electronic Vehicle Registration (EVR) or Electronic Registration and Title (ERT) Versus Electronic Titling** – The functionality of an ELT and EVR or ERT program may be an element of the electronic titling solution. More electronic functionality will be needed to move to completely paperless title transactions and a fully electronic titling solution.

E-Titling = All Elements of the Titling Transaction are Electronic

FOUR FOUNDATION "PILLARS"

1	2	3	4
Standardized Data Set	Defined Identification Policies (NIST 800-63-3 Standard)	Stardardized Exchange Protocols	Defined Jurisdictional Operational Policies

Legislation

a. Do your statutes allow for electronic title transactions?

   1. Does the statute(s) mandate the use of an electronic title system on a specific date?

b. Are there requirements for wet signatures or paper applications that need to be made flexible to allow for paperless transactions?

c. Is there flexibility in charging fees for electronic title transactions where a paper title is not printed?

d. Do you have a definition for an electronic title? If so, does it align with the definition of electronic title in the *Electronic Titling Framework*?

e. Who are the stakeholder groups that may have interest in the titling statutes and may have influence in the legislative process?

f. Do your statutes, rules, or policies require proof of identity before titling a vehicle? Verifying identity before completing a titling transaction is a foundational element of electronic titling, regardless of whether the transaction involves an odometer disclosure.

g. Jurisdictions should consider the following when developing an electronic titling system:

   1. Compliance with electronic signature requirements set by the National Institute of Standards and Technology (NIST), Sec. 800.63, level 2 or level 3, as required by 49 CFR Sec. 580.3 ("Signature") (10.2.2019);

   2. Compliance with the Federal Truth-in-Mileage Act (TIMA) and 49 CFR 580;

   3. Compliance with the Uniform Electronic Transaction Act (UETA);

4. Satisfying functional components that subject the parties of the electronic transaction to the jurisdiction's perjury or fraudulent unsworn declarations/certifications;

5. Ensure the identity of the parties conducting the transactions are validated; and

6. Notification given to the parties of the electronic title transaction that by using the jurisdiction's electronic titling system, they are subjecting themselves to the jurisdiction's laws.

Industry Stakeholders

a. Identify the industry stakeholders in your jurisdiction who are involved in titling processes (dealers, auctions, financial institutions, insurance companies, fleets, etc.)

   1. Industry stakeholders that would benefit from electronic titling

   2. Industry stakeholders that may have concerns about electronic titling in relation to their business model (i.e., title service companies)

b. Work with industry stakeholders to understand their business processes and how they use the paper title (Some accommodations may need to be made for industry, but they may need to be flexible to accommodate changes in business practices.)

c. What is an industry stakeholder's fundamental need? In what ways is a paper title serving a business need? Can the same need be satisfied through an electronic process?

   1. Example: Wholesale auctions use the paper title as collateral because many times they will pay the dealer selling the vehicle before the buying dealer provides payment. The wholesale auction's business practice places a hold (stop) on a vehicle transfer between the selling and buying dealer pending payment.

Jurisdiction Agencies and Entities

a. Will your agency need to work with other jurisdiction agencies or authorized entities that process vehicle transactions on behalf of the state? If so, who are they?

   1. Example: Will you need to work with your jurisdiction's driver licensing agency?

b. What kind of impact will a change to your titling process have on other jurisdiction agencies or entities?

c. Will you need to coordinate with third-party entities who also issue titles?

d. How will electronic titling affect third-party entities?

e. What will third parties need to do or change to accommodate customers using electronic titling processes?

Title Transaction Inventory

a. Inventory all types of title transfers and title management actions (adding/removing liens or brands, etc.) performed in your jurisdiction

b. What types of vehicles will be included in the electronic titling transfer functionality?

c. What will prevent a certain type of title transfer from being completed electronically?

d. Does your jurisdiction already complete certain types of title transactions electronically? (Example: Electronic Lien and Title)

e. How will an owner access and/or share their current title information if a paper title is not issued?

f. Will current titling practices need to change to accommodate a paperless electronic titling system?

g. Does a title transaction affect any other administrative actions that your jurisdiction completes at the time of title transaction?

h. Who are the participants in the various title transactions? (Example: salvage title transactions—original owner, insurance company, salvage auction, buyer from the auction).

i. How will paper titles be accommodated while your jurisdiction is implementing a fully operational electronic titling process?

Identity Verification and Management

a. How will your system verify the identity of the seller who is initiating the electronic transfer of a vehicle title?

b. How will personal identifying information be protected?

c. Will the system eliminate the unneeded sharing of personal identifying information?

d. Have you reviewed the NIST standards for identity proofing and authentication? What changes will need to be made to incorporate those identity management practices?

Interoperability Between Jurisdictions

a. Has your jurisdiction identified data elements that are currently used in titling transactions?

b. Will your jurisdiction use a standardized set of data elements to enable interoperability between jurisdictions?

   1. The AAMVA E-Title Working Group is identifying data elements for electronic titling which will be made available in a future Working Group guidance document.

System Impact and Development

a. Will the system be developed by a vendor or with jurisdiction resources?

b. Will a request for proposal (RFP) be needed?

c. Are existing systems capable of managing increased workloads from electronic titling requirements?

Funding

a. Will an electronic titling system require additional support staff or a different allocation of staff?

b. Is there funding for ongoing system maintenance and operation?

c. Is there a strategy to generate or recover start-up costs?

d. What current funding will be impacted by the reduction of printing paper titles?

e. Are new fees recommended or required to support the initial buildout and to provide ongoing support for electronic titling transactions? If so, will statutory authority be needed to enact those fees?

Agency Impact

a. How would the creation of an electronic titling system impact customer flow in offices?

b. If the use of an electronic titling system is initiated, how will it impact mail-in processing centers and/or EVR programs?

c. Will more staff be needed for customer support (example: answering questions, troubleshooting "computer and log-in issues", etc.)?

Internal Communication

a. What is the plan for informing staff of changes and gathering support?

b. What training will be provided?

Public Education and Outreach

a. What education can be provided to legislators and policy makers?

b. What education can be provided to stakeholders?

c. Educating the public will be important, use a variety of resources to provide information, such as:

   1. Website
   2. News release
   3. Videos
   4. Info graphics/ handouts in office
   5. Mailing inserts

Where to Start Development and Implementation

a. Start with one type of transaction or functionality. The simpler it is the better.

   1. Example: ELT, private party sale, or simple dealer sale

b. Start with what will work best for your jurisdiction and stakeholders.

Data and Reports

a. Consider plans to incorporate audit and data analytical functionality into any electronic titling elements.

b. What data and reports will your jurisdiction need for business purposes and for fraud detection and mitigation purposes?

Working Group Members

MEMBERS

Clint Thompson, Chair
Deputy Director
Texas Department of Motor Vehicles

Ralene Whitmer, Vice Chair
Title and Registration Specialist
Arizona Department of Transportation

Negash Assefa
Director, Information Technology
Maryland Motor Vehicle Administration
Representative from the Electronic Identity (eID) Subcommittee

Justin Brinton
Assistant IT Director
Utah State Tax Commission

Christopher Charles
Director of Titles
Indiana Bureau of Motor Vehicles

Gretchen Daley
Commercial Operations Program Coordinator
Massachusetts Registry of Motor Vehicles

Irenata Duncan
Attorney
Georgia Department of Revenue

Lance Everett
Chief Data Officer
California Department of Motor Vehicles

Keith Jeffers
Special Investigations Manager
Tennessee Department of Revenue

Julie Larsen
Business Architect
Florida Department of Highway Safety & Motor Vehicles

Madison Lumpkin
Deputy Administrator, Central Operations
Maryland Motor Vehicle Administration

Prerna Mukhija
Administrative Analyst 4
New Jersey Motor Vehicle Commission

Hank Rosser
IT Analyst
Virginia Department of Motor Vehicles

Scott Shenk
Division Chief for Vehicle Registration
Pennsylvania Driver and Vehicle Services

Ted Smith
Attorney
Kansas Department of Revenue

AAMVA STAFF

Paul Steier
Project Manager
Director, Vehicle Programs

Vivienne Cameron
Senior Director, Business Solutions

Marcy Coleman
Manager, Vehicle Programs

Ryan Kahn
Director, Project Management

Mike McCaskill
Director, Identity Management

Evgenia Tyrsina
Lead Business Analyst

OUR VISION

Safe drivers
Safe vehicles
Secure identities
Saving lives!

American Association of Motor Vehicle Administrators
4401 Wilson Blvd, Suite 700
Arlington, Virginia 22203
703.522.4200 | **aamva.org**