

MDDCCUA_FAV_SB778

Uploaded by: Murray, Rory

Position: FAV



Chairwoman Delores Kelley
3 East
Miller Senate Office Building
Annapolis, MD 21040

SB778: Vehicle Laws - Liens - Electronic Recording
Testimony on Behalf of MD|DC Credit Union Association
Position: Support

Chairwoman Kelley, Vice-Chair Feldman and Members of the Committee,

On behalf of the MD| DC Credit Union Association and the 84 Credit Unions and their 1.9 million members that we represent in the State of Maryland, we appreciate the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to promote thrift and provide access to credit for provident and productive purposes for our members. We support this bill.

Electronic lien titling benefits credit unions and our members because it can help reduce fraud, saves time and money on paperwork processing and makes it much easier to access liens in a timely manner. For these reasons, we support this bill. We thank the sponsors for introducing this bill and bringing Maryland in line with the many other states that already have electronic lien recording in place.

Please do not hesitate to contact me at 443-325-0774 or jbratsakis@mddccua.org, or our VP of Advocacy, Rory Murray at rmurray@mddccua.org should you have any questions. Thank you for your consideration.

Sincerely,

John Bratsakis
President/CEO
MD|DC Credit Union Association

MADA_FAV_SB778

Uploaded by: Senator Ready, Senator Ready

Position: FAV



DATE: February 19, 2020

TO: Senate Judicial Proceedings Committee

FROM: Peter Kitzmiller (President)
Travis Martz (General Counsel)

RE: SB 778 (Senator Ready)

POSITION: SUPPORT

The Maryland Automobile Dealers Association (MADA) represents over 300 franchised new car and truck dealers, and their 24,000 employees. We strongly support SB 778.

A used vehicle trade-in is an important part of the new vehicle selling process. The intake of a used vehicle involves lots of administrative pieces. Once such key piece is verifying existing liens and paying them in full on behalf of new vehicle customers. Maryland is the only state where after the vehicle's lien is satisfied, a new title can only be issued once the MVA merges the lender's lien filing with the customer's title. This causes unnecessary delays in the titling process, as dealers must wait for the lender to send a paper lien release.

MADA is supportive of the MVA's ongoing software modernization program which will make many essential elements of vehicle ownership electronic. We believe mandating electronic lien release is next step. Pennsylvania and Virginia are mandatory electronic states and New Jersey is pushing legislation through their state house now.

SB 778 will make the lien release process more efficient which will result in faster processing of new vehicle titles for Maryland residents. **MADA respectfully asks the Senate Judicial Proceedings Committee to give SB 778 a favorable report.**

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MVTA_FAV_SB 778

Uploaded by: Senator Ready, Senator Ready

Position: FAV



DATE: March 19, 2020
TO: Senate Judicial Proceedings Committee
FROM: Dawn Auffarth, MVTA Board Chair
Travis Martz, MVTA Lobbyist
RE: SB 778 (Senator Ready)

POSITION: SUPPORT

The Maryland Vehicle Titling Association (MVTA) represents over 100 private title service agent licensees of the MVA. MVTA's mission is to advocate for and educate our member title service agents.

Fraudulent paper lien releases are a major problem in the title service agent industry. Bad actors can easily manipulate the security of a paper lien release to steal vehicles subject to liens using a title service agent. Currently, the MVA administers a voluntary electronic lien release system for lenders. SB 778 will make the process mandatory. Pennsylvania and Virginia are already mandatory electronic lien release states. New Jersey is adopting similar legislation this year.

The title service agent is a licensee of the MVA that handles private party vehicle sales transactions. MVTA members provide more locations and longer hours than MVA branch locations so it's easier for a private citizen to handle title registration needs at one of our locations. Electronic lien release is a valuable tool just like electronic vehicle inspection so that information is transferred more efficiently and securely. While dealers have 30 days to submit title work following the sale of a vehicle, title service agents are not afforded the same window of time to collect all proper documentation. Mandating electronic lien release will provide title agents with peace of mind that title is being transferred free and clear of all liens.

The title service agent industry has many allies in support of SB 778. Maryland lenders, dealers and insurance companies will all benefit from an electronic lien release and a compromise amendment has been crafted. **We are asking the Senate Judicial Proceedings Committee to give SB 778 a favorable report as amended by the Sponsor.**

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(410) 517-3111
www.mvta.org



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Ready_FAV_SB778

Uploaded by: Senator Ready, Senator Ready

Position: FAV

JUSTIN READY
Legislative District 5
Carroll County

Judicial Proceedings Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 19, 2020

SB 778 Vehicle Laws - Liens - Electronic Recording

Chairman Kelley, Vice Chair Feldman, and members of the Finance Committee,

Senate Bill 778 is designed to improve data accuracy, reduce and prevent fraud, exchange data quickly and reduce printing, mail, and storage costs for automobile liens. SB 778 would require a lien release pertaining to a motor vehicle to be filed electronically with the Motor Vehicle Administration (MVA) within 5 business days after the credit grantor has received full payment. Maryland titles will then be held at the motor vehicle office as an electronic record.

The bill also requires (rather than authorizes) MVA to develop and implement an electronic system for recording and releasing security interests. There is a voluntary system already in place with the MVA so they currently have a process in place to record lien releases. The MVA does not oppose this legislation.

Many other states have adopted this method of recording liens including Arizona, California, Colorado, Florida, Georgia, Hawaii, Idaho, Kansas, Louisiana, Massachusetts, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington, and Wisconsin. I respectfully request a favorable report on Senate Bill 778.

Ready_FAV_SB778

Uploaded by: Senator Ready, Senator Ready

Position: FAV

JUSTIN READY
Legislative District 5
Carroll County

Judicial Proceedings Committee



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MBA_FWA_SB 778

Uploaded by: Enten, Bob

Position: FWA



Senate Bill 778 – Vehicle Laws – Liens – Electric Recording

Senate Finance Committee

February 19, 2020

Favorable with Amendments

The Maryland Bankers Association (MBA) supports SB 778 – Vehicle Laws – Liens – Electric Recording with amendments. According to the Fiscal and Policy Note, this legislation requires a lien release pertaining to a motor vehicle to be filed electronically with the Motor Vehicle Administration (MVA) within three business days. The bill also requires MVA to develop and implement an electronic system for recording and releasing security interests. A motor vehicle lienholder must file electronically with MVA (1) each of its liens and (2) when a lien is paid in full, the lien release.

MBA discussed this legislation with our member banks and they indicated that releasing liens in 3-days is unworkable. Prior to releasing a vehicle lien, and thus the collateral that secures the related loan, the lender needs to make sure funds paying off the loan clear; this process can take longer than three days. MBA will support SB 778 with an amendment that changes the timeframe for releasing liens to five business days after the funds are available to the lien holder. MBA has discussed this amendment with the Maryland Automobile Dealers Association and they are agreeable to this change.

MBA supports SB 778 with the amendment described above.

MDOT MVA_INFO_SB0778

Uploaded by: MVA, MDOT

Position: INFO

February 19, 2020

The Honorable Delores Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis MD 21401

Re: Letter of Information– Senate Bill 778 – Vehicle Laws – Liens – Electronic Recording

Dear Chair Kelley and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 778 but offers the following information for the Committee’s consideration.

Senate Bill 778 requires that certain lienholders electronically file any release related to motor vehicle liens with the MDOT MVA (Motor Vehicle Administration), and further requires that the MDOT MVA develop and implement an electronic system for recording and releasing security interests. The bill requires that the electronic system provide for the recording and releasing of liens without security interest filing and authorizes several other system capabilities.

MDOT MVA is currently engaged in its five-year comprehensive systems modernization project to overhaul all systems used to deliver service to our customers. A top objective of Customer Connect is to improve customer experience by enhancing and improving data exchanges to create efficiencies; once complete, Customer Connect will dramatically enhance delivery of driver licensing, business licensing, and title and registration services.

The electronic lien system (ELS) mandated by Senate Bill 778 is currently available for lienholders and functionality will be even more robust in the upgraded system. MDOT MVA looks forward to implementing an expanded ELS system in order to enhance information security, reduce manual typographical errors, shorten wait times by reducing reliance on postal mail, and add ease to processing for car dealers. In addition to providing for the recording and release of liens, the ELS feature of the new system will allow for a variety of notices to be exchanged between the lienholder and MDOT MVA, such as confirmation that a lien was printed, or that a title number was updated. Enhanced ELS is a feature of Phase I of Customer Connect implementation, which will deploy to the public May 26, 2020; the second and final phase will be implemented October 2021.

The Maryland Department of Transportation respectfully requests that the Committee consider this information while deliberating Senate Bill 778.

Respectfully submitted,

Christine E. Nizer
Administrator
Maryland Motor Vehicle Administration
410-787-7830

Jeff Tosi
Director of Government Affairs
Maryland Department of Transportation
410-841-2850