

Electronic Lien Titling with the Michigan Department of State



Reminders and common processing questions

Electronic Lien Titling (ELT)

Effective no later than October 1, 2023, Michigan titles will be issued in an electronic format for any vehicle purchased with a lienholder. The title will be held electronically until the lien is paid off. Once paid off, a paper title will be mailed to the owner. This change is specific to Michigan titles.

- **Lenders** must register for the ELT program to receive a lienholder number, which they will provide to the dealer. This number must be included on the RD-108.
- **Dealers** who offer “buy here / pay here” or other in-house financing as a regular part of business must also register for the program. (This is not required for occasional or temporary TR-210 / TR-209 situations, since these transactions are processed at an SOS branch office.)
- Dealers should provide their **customers** with this [MDOS letter](#) if the customer’s title will be electronic.

Taking a vehicle in on trade

When considering a trade-in vehicle, you can perform a VIN look-up on e-Services to validate title information, such as:

- a. vehicle ownership,
- b. the last title issuance date,
- c. if the vehicle has a lien and who is the lienholder,
- d. if the title is paper or held electronically, and
- e. if the title has any title brands (salvage, scrap, municipal, etc.)

Process to title in dealer's name

When processing a trade-in or purchase that has a lien and an electronic title, it is important to file paperwork in the proper order to ensure the title is in the dealer's name before the new title is prepared.

1. Look up the VIN on e-Services to determine if there is an electronic title.
2. If the title is electronic:
 - a. **first** assume the lien in e-Services
 - b. **then** request either paper or electronic title
 - c. **return** to the e-Services VIN look-up, enter the VIN to validate vehicle ownership transfer and print the look-up page. (This title record information is needed for your police book entry and you may want a copy in the deal jacket.)
3. Pay off the lienholder

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This ensures the title will be in the dealership's name prior to the loan being paid off, which signals that the title should be provided to the dealership. (We don't want a free and clear title being mailed to the former owner.)

Assuming a lien -- choose paper or electronic title

After assuming a lien in e-Services, a dealer has the option to request that title in paper form or electronic form. Obtaining a **paper title** is recommended if the vehicle will be sold at auction, to an out of state purchaser, to an out of state dealer, or to a wholesaler.

If the dealer selects the **electronic title** and later needs a paper title, the option exists for the dealer to later request an instant paper title at a branch using a TR-11. The transaction type should be listed as a "Correction title only" and in the remarks section enter "Print Electronic title." The title will be subject to only the \$5 instant title fee.

Errors in processing a transaction

Dealer to dealer transfer – transferred to wrong dealership

- To correct the inadvertent vehicle transfer to the wrong dealer, the transferring dealer needs to access the e-Services dealer portal ELT section and select "pending transactions."
- Under the "Outgoing Electronic Vehicle Transfers" section, locate the VIN of the vehicle transferred in error and select "Delete."
- This will cancel the transfer, but it can only be performed by the selling dealer.

If the buying dealer has already accepted the transfer and paid the transfer fee, it will be necessary for this dealer to process another transfer back to the original dealer and again pay the transfer fee.

Dealer assigns the wrong lienholder

To fix an incorrect lienholder placement on a vehicle recently transferred, the selling dealer should contact the lienholder accidentally placed on the title and have the lienholder "delete" or "reject" the lien. (The terminology – "delete" or "reject" – depends on the service provider the lienholder is using.)

- The lienholder will go into the ELT section of the e-Services lienholder portal and select the "More..." option.
- On the next page, select "Delete" or "Reject." This prevents a title from being printed until the lienholder issue is resolved with the selling dealer.

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Important note: if the lienholder selects “release lien,” a title will be printed in the owner’s name, without a lien, and be mailed to the customer. If this happens the dealer will be required to get the title from the owner to resolve the lien placement error. Once the dealer retrieves the accidental lien-free title from the owner, the dealer will need to apply for a corrected title at their local branch. Provide the title, copies of the correct and incorrect RD-108s and a statement explaining the lien placement error.