

## **TITLE 13: DEPARTMENT OF MOTOR VEHICLES**

### **Division 1, Chapter 1**

#### **Article 3 – Registration and Titling**

##### **NOTICE IS HEREBY GIVEN**

The Department of Motor Vehicles (department) proposes to amend Sections 153.00, 153.02, 153.04, 153.06, 153.08, 153.10, 153.12, 153.14, 153.16, 153.18, 153.20, 153.22, 153.24, 153.26, and 153.28, in Article 3, Chapter 1, Division 1, Title 13 of the California Code of Regulations, related the Electronic Lien and Title Program.

##### **PUBLIC HEARING**

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than fifteen (15) days prior to the close of the written comment period.

##### **DEADLINE FOR WRITTEN COMMENTS**

Any interested party or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than **December 15, 2025**, the final day of the written comment period, for them to be considered by the department before it adopts the proposed regulation.

##### **AUTHORITY AND REFERENCE**

The department proposes to adopt/amend/repeal these regulations under the authority granted by Vehicle Code sections 1651 and 4450.5, to implement, interpret, or make specific Vehicle Code sections 1808.47, 4450.5, 4451, and 4453.

##### **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

Vehicle Code section 4450.5 authorizes the department to establish an Electronic Lien and Title (ELT) Program that would require lienholder's title information to be held electronically. Under the ELT Program, when the department receives an application for title or registration showing the lienholder's name, address, and ELT ID number, and electronic record is

produced by the department in lieu of a paper title. A web-based connectivity system allows for Secure File Transfer between the department and service providers.

Vehicle Code section 1801 and 1801.1 authorize the department to allow a person to submit any document required to be submitted to the department by using electronic media instead of requiring the actual submittal of the original document. Vehicle Code section 1801.1(c) authorizes the department to, among other things, establish security standards and technological requirements, or terms and conditions, including methods of authentication for electronically submitted signatures.

In addition to updating several forms used in the ELT Program and making various non-substantive amendments, this action proposes the following changes:

#### § 153.00. Definitions.

Clarifying changes are made to several definitions used in the ELT Program.

#### § 153.06. Review of Service Provider's Application.

Adds text notifying the applicant that the department may also choose to refuse an application for an ELT Service Provider's Permit for reasons specified in Section 153.10, related to refusal to approve an application for service provider's permit.

#### § 153.14. Suspension or Revocation of Service Provider's Permit.

Establishes the failure to respond to departmental communications or directives within a specified time as a reason for suspension or revocation. Also makes clear a Service Provider cannot take additional Lienholders during a suspension and requires transfer of Lienholders to another Service Provider, unless a hearing has been demanded.

#### § 153.18. Reinstatement of Service Provider's Permit.

Makes clear that, once the suspension has ended, the Service Provider may resume providing service to additional Lienholders.

#### § 153.20. Lienholder's Permit.

Makes clarifying change that a Lienholder cannot file title information unless they have applied for *and* been issued a Lienholder's Permit.

#### § 153.22. Lienholder's Permit Application.

Requires changes to a Lienholder's Permit to be submitted on an ELT Program Change Request, form REG 673, and requires submission of a REG 673 when applying to change Service Provider. Also requires a Service Provider to transfer the Lienholder's electronic titles to the Lienholder's preferred Service Provider.

#### § 153.26. Term of Lienholder's Permit.

Clarifies that a Lienholder's Permit will be valid until the Lienholder requests withdrawal from the program or if the Lienholder's Permit is suspended or revoked. Also allows the department to suspend a Lienholder's Permit if they do not respond to the department's communications or directives within 30 days and allows the department to revoke the Lienholder's Permit if they do not respond to the department's communications or directives for another 30 days after the suspension is effective.

#### § 153.28. Lienholder Withdrawal from the Electronic Lien and Title Program and Conversion of Electronic Titles.

Clarifies withdrawal procedures by requiring a Lienholder to request its Service Provider to transfer all electronic titles to paper and submit an ELT Program Withdrawal Request, form REG 674. If a Service Provider fails to meet the Lienholder's Request to transfer electronic titles to paper, the proposed rule clarifies that the department may require the Service Provider to transfer the titles. Lastly, the amendments to Section 153.28 prohibit the approval of a Lienholder's withdrawal request until the department verifies that all titles have been transferred to paper.

### **BENEFITS OF THE PROPOSED REGULATION**

The department anticipates this action will benefit California residents who are vehicle owners by reducing instances of title fraud. The proposed rules prevent access to the department's records when a lienholder or service provider is not authorized to hold titles. The proposed rules also require the service provider to transfer titles to another specified lienholder when they are not authorized to hold titles. Furthermore, the proposed rules require a lienholder to transfer all electronic titles to paper when they cease doing business. These new requirements create protections to ensure a service provider or a lienholder does not retain vehicle titles when they are not participating in the ELT program.

### **CONSISTENCY AND COMPATIBILITY WITH STATE REGULATIONS**

The department has conducted a review of other state regulations and has determined this action is neither inconsistent nor incompatible with other state regulations.

## **COMPARABLE FEDERAL STATUTES OR STATE REGULATIONS**

The department has conducted a review of other state and federal regulations and has found there are no comparable regulations related to the titles being held in an electronic format.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference:

- Electronic Lien and Title (ELT) Program Service Provider Application, form REG 670, from version NEW 1/2019 to Rev. 11/2025, in Section 153.04
- Electronic Lien and Title (ELT) Program Lienholder Application, form REG 671, from version NEW 1/2019 to Rev. 11/2025, in Section 153.22
- Electronic Lien and Title (ELT) Program Service Provider's Permit, form REG 672, from version NEW 1/2019 to Rev. 11/2025, in Section 153.06
- Electronic Lien and Title (ELT) Program Lienholder's Permit, form REG 672 F, from version NEW 1/2019 to Rev. 11/2025, in Section 153.24
- Electronic Lien and Title (ELT) Program Change Request, form REG 673 (Rev. 11/2025), in Section 153.22
- Electronic Lien and Title (ELT) Program Withdrawal Request, form REG 674, from version NEW 1/2019 to Rev. 11/2025, in Section 153.28

These forms are not published in the California Code of Regulations because it would be impractical and cumbersome to do so; however, the documents are readily available to interested parties by contacting the department representative identified below.

## **ECONOMIC AND FISCAL IMPACT DETERMINATIONS**

The department has made the following initial determinations concerning the proposed regulatory action:

- Cost or Savings to Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Effects on Housing Costs: None.
- Cost to any local agency or school district requiring reimbursement pursuant to Gov. Code section 17500 et seq.: None.
- Cost Impact on Representative Private Persons or Businesses: The department is not aware of any cost impacts that a representative

private person or business would necessarily incur in reasonable compliance with the proposed regulation.

- **Small Business Impact:** There is no small business impact. The regulation provide clarification related to the disposition of electronic titles when a lienholder or a service provider are not authorized to process transactions. These provisions do not have any economic or fiscal impact to small businesses.
- **Local Agency/School District Mandate:** The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- **Significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states:** The department has made the initial assessment that this proposed action will not have a significant statewide adverse economic impact that directly affects businesses, including the ability of California businesses to compete with businesses from other states. This action makes clarifying changes to the current ELT regulations and bolsters the suspension and revocation process.

## **RESULTS OF THE ECONOMIC IMPACT STATEMENT**

The department has made the initial determination that this action will not impact 1) the creation of jobs or elimination of jobs within the State of California, 2) the creation of new businesses or elimination of existing businesses within the State of California, 3) the expansion of businesses currently doing business within the State of California, or 4) worker safety or the state's environment.

This action will benefit the welfare of Californian residents who are vehicle owners by creating protections to ensure a service provider or a lienholder does not retain vehicle titles when they are not actively participating in the ELT program.

## **PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS**

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot easily be reviewed during the comment period.

## **ALTERNATIVES CONSIDERED**

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

## **CONTACT PERSON**

Any inquiries or comments concerning the proposed rulemaking action may be addressed to:

Randi Calkins, Regulations Specialist

Department of Motor Vehicles

Legal Affairs Division

PO Box 932382, MS C-244

Sacramento, CA 94232-3820

Any inquiries or comments concerning the proposed rulemaking action requiring more immediate response may use:

Telephone: (916) 282-7294

Facsimile: (916) 657-6243

E-Mail: [LADRegulations@dmv.ca.gov](mailto:LADRegulations@dmv.ca.gov)

In the event the contact person is unavailable, inquiries should be directed to the following back-up person:

Peggy Gibson, Attorney IV

Department of Motor Vehicles

Telephone: (916) 657-6469

## **AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS**

The department has prepared an Initial Statement of Reasons for the proposed regulatory action and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the Express Terms of the proposed regulatory action using underline or italics to indicate additions to, and strikeout to indicate deletions from the California Code of Regulations.

The contact person identified in this notice shall also make available to the public, upon request, the Final Statement of Reasons and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of Proposed Regulatory Action, the Initial Statement of Reasons, and Express Terms) may be accessed at <https://www.dmv.ca.gov/portal/about-the-california-department-of-motor-vehicles/california-dmv-rulemaking-actions/>.

#### **AVAILABILITY OF MODIFIED TEXT**

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Requests for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.