

National Motor Vehicle Title Information System

2012 Annual Report

For Period October 1, 2011 through September 30, 2012





This project was supported by Grant No. 2010-DG-BX-K039, awarded by Bureau of Justice Assistance. Bureau of Justice Assistance is a component of the Office of Justice Programs, which also includes the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, the SMART Office and the Office for Victims of Crime. Points of view or opinions in this document are those of the author and do not represent the official position or policies of the United States Department of Justice.

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LETTER FROM NMVTIS OPERATOR

On behalf of the American Association of Motor Vehicle Administrators (AAMVA), I am pleased to present the 2012 Annual Report for the National Motor Vehicle Title Information System (NMVTIS).

As the system operator, AAMVA remains committed to ensuring that the system continues to be developed, implemented and operated in a fashion that meets the full requirements of NMVTIS regulations. The NMVTIS Final Rule requires the publication of an annual report describing the performance of the system during the preceding year. The report details NMVTIS expenses and all revenues received as a result of the NMVTIS program as well as highlights the system's performance.

Previously, I reported on AAMVA's Board of Director's commitment to NMVTIS with its approval of an estimated one-time investment of approximately \$3.4-\$4.0 million. A significant part of the reengineering work was undertaken during this reporting period. The goals of the reengineered system are to: 1) reduce data storage costs; 2) improve data exchange flexibility; and 3) use a Global Reference Architecture (GRA).

At the end of the last reporting period, two areas of interest and focus were highlighted—financial sustainability and compliance. States were notified of the reinstatement of state fees with an effective date of October 1, 2012. NMVTIS also continued to see growth in the number of inquiries for NMVTIS vehicle information, in large part as a result of enactment of California Assembly Bill 1215. However, as expected, those additional inquiries and associated revenues did not completely address the issue of long-term sustainability. AAMVA continued to pursue opportunities to enhance the value of the NMVTIS Vehicle History Report, including working with the Department of Justice (DOJ) to obtain state level approvals for NMVTIS access to National Crime Information Center (NCIC) stolen vehicle information.

Compliance remains a key component in the solution for long-term sustainability. A system that contains all title and brand¹ data from the states coupled with the junk, salvage and total loss information yields a better product for system users. Strategic outreach efforts were undertaken to work with those 12 states that, at the beginning of the reporting period, were either in prolonged development or delayed. The Bureau of Justice Assistance (BJA) continued with its own efforts to put strategies into place that will enable enhanced levels of compliance.

We are proud to share this report with our stakeholders and look forward to the future of NMVTIS and the full realization of the benefits envisioned in the Anti Car Theft Act of 1992. Lastly, the report is a product of many individuals and organizations that took the time to respond to our requests for input and guidance. We truly appreciate all of the valuable input received toward preparation of this final product.

I hope that you find the report informative and of value.

Best regards,



Neil D. Schuster

President & CEO

American Association of Motor Vehicle Administrators

¹ Description labels used in regard to the status of motor vehicle, such as "junk," "salvage," and "flood." Brands are designated by states.

The National Motor Vehicle Title Information System (NMVTIS) Final Rule (28 CFR part 25, published January 30, 2009, 74 FR 5740), requires the system operator, the American Association of Motor Vehicle Administrators (AAMVA), to prepare and publish an annual report and procure an independent financial audit. This ***NMVTIS 2012 Annual Report*** is the fourth publication, covering **October 1, 2011 through September 30, 2012 (“reporting period”)**. This reporting period was agreed upon between the system operator and the U.S. Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA); it corresponds with the federal fiscal year and AAMVA’s audit cycle.

Published in August 2013, this report details the performance of NMVTIS during the 12-month reporting period. Future annual reports will also cover a 12-month period—October 1 to September 30—and be published in August of the following year. For the current status of the system, please visit DOJ’s website at www.vehiclehistory.gov.

State
Consumer Access
Third Party Reporting
Law Enforcement

All program areas
showed steady growth

As similarly noted in the last annual report, this reporting period of October 1, 2011, through September 30, 2012, showed steady growth in the four NMVTIS program areas—state program, consumer access program, third party reporting program, and law enforcement access program. The consumer access program, again, showed the most growth and significantly surpassed the last annual report’s level of activity.

Achievements during this reporting period included:

- the final, non-participating jurisdiction began development;
- every jurisdiction participated in the system in some capacity;
- inquiries by consumers increased 1,227% over the last report period moving from 167,000 to 2.2 million;
- approved data providers of vehicle information to consumers increased from five to 10;
- one state (Georgia) began to report junk, salvage, and insurance (JSI)² vehicles on behalf of entities required to report these vehicles in its state;
- BJA continued efforts to increase compliance;
- visits to the NMVTIS Law Enforcement (LE) Access website increased by 78%; and
- brand data expanded to include crash vehicles used by the U.S. General Services Administration (GSA).

This reporting period saw the impact of **California Assembly Bill (AB) 1215**, which was passed during the previous reporting period. The legislation requires used car dealers to make a NMVTIS Vehicle History Report available to potential purchasers of a used vehicle. As anticipated, this requirement brought about a significant increase in consumer inquiries. As a result, this period showed an increase in revenue from consumer access inquiries. The federal NMVTIS Advisory Board charter was renewed during this reporting period, welcoming new members as well as retaining a number of inaugural members. Law enforcement use of NMVTIS data to facilitate vehicle-related investigations also continued to increase.

The system continued to grow more robust and valuable to its many stakeholders, with the increase in data and users.

²Junk, Salvage and Insurance – this refers to any individual or entity that meets the NMVTIS definition of junk yard, salvage yard, or insurance carrier.

Highlights During Reporting Period

STATE PROGRAM

- Illinois began development
- All 51 jurisdictions participated at some level
- State fees waived during this reporting period
- System reengineering began

CONSUMER ACCESS PROGRAM

- Consumer inquiries increased by 1,227% over the previous reporting period
- Five new companies began providing vehicle information to consumers and/or commercial entities

THIRD PARTY REPORTING PROGRAM

- Georgia's Department of Revenue began reporting on behalf of JSI entities located in the state
- A civil penalty enforcement process was finalized by BJA; six Notice of Civil Penalty letters issued

LAW ENFORCEMENT ACCESS PROGRAM

- Users of the Law Enforcement (LE) AccessTool increased – Law Enforcement Online (LEO) users increased 105% and Regional Information Sharing Systems (RISS) users grew by 29%
- Visits to the NMVTIS LE Access website grew by 78% over the last report period

GOVERNANCE

- The federal NMVTIS Advisory Board (NAB) convened meetings in November 2011, March 2012 and September 2012, which were open to the public
- An orientation for new board members was held in July 2012

OTHER

- AAMVA and BJA began the process of establishing an operating agreement to outline the terms of the relationship between BJA and AAMVA in the absence of an active grant
- AAMVA and BJA agreed to implement a process for branding crash test vehicles from the U.S. Government Services Administration Property Acquisition Department

NMVTIS Key Stakeholders

Department of Justice | NMVTIS Advisory Board | American Association of Motor Vehicle Administrators | Data Consolidators | States | Consumers | Approved Data Providers | Law Enforcement | Junk, Salvage, Insurance

DEPARTMENT OF JUSTICE

Within DOJ, BJA is responsible for overseeing both policy and enforcement elements of the NMVTIS program. BJA coordinates enforcement activities with the Federal Bureau of Investigation (FBI), the National Highway Traffic Safety Administration (NHTSA), and state and local law enforcement agencies. BJA works in partnership with the system operator, AAMVA.

NMVTIS ADVISORY BOARD

In June 2010, the NAB was convened to provide input and recommendations to BJA regarding the operations and administration of NMVTIS. The NAB includes representation from key stakeholders affected by the program, including states, consumers, insurance carriers, auto recyclers, junk and salvage yards, and law enforcement agencies. NAB meetings are open to the public.

AMERICAN ASSOCIATION OF MOTOR VEHICLE ADMINISTRATORS

The Anti Car Theft Act authorizes the designation of a third party operator of NMVTIS. Since 1992, AAMVA has acted in this capacity. AAMVA is a nonprofit, tax exempt, educational association representing U.S. and Canadian officials responsible for the administration and enforcement of motor vehicle laws. In addition to acting as the NMVTIS Operator, AAMVA supports the Single VIN Reporting Service and is one of four JSI data consolidators.

DATA CONSOLIDATORS

BJA and AAMVA partnered with the private sector to provide multiple reporting methods to meet the business needs of JSI reporting entities. Currently, there are four reporting methods or services available, offering individual VIN and batch reporting options:

1. AAMVA Single VIN Reporting Service;
2. AUDATEX;
3. AUTO DATA DIRECT, INC.; and
4. INSURANCE SERVICES OFFICE (ISO).

STATES

State titling agencies must perform title verifications and report data to NMVTIS.

- Each state is required to perform an instant title verification check before issuing a certificate of title for a vehicle that an individual or entity brings into the state.
- States are required to make selected titling information that they maintain available for use in NMVTIS. States shall provide information on new titles and any updated title information to NMVTIS at least once every 24 hours.
- States are required to pay state user fees.

CONSUMERS

NMVTIS information is available to consumers (individual and commercial) in a NMVTIS Vehicle History Report. A NMVTIS Vehicle History Report is intended to provide data on five key indicators associated with preventing auto fraud and theft. Prior to purchasing a used vehicle, consumers can search NMVTIS to find information on these five key indicators:

1. Current state of title and last title date;
2. Brand history;
3. Odometer reading;
4. Total loss history; and
5. Salvage history.

The following data sources for a NMVTIS Vehicle History Report are required by federal law to report regularly to NMVTIS:

- **States;**
- **Junk yards;**
- **Salvage yards; and**
- **Insurance carriers.**

APPROVED DATA PROVIDERS

Approved data providers are those organizations that, through an application process, have agreed to provide NMVTIS Vehicle History Reports to the public, consistent with federal legal requirements. This agreement is established through formal contracts with the system operator. All approved data providers are listed on the [NMVTIS website](#).

LAW ENFORCEMENT

LE agencies rely on NMVTIS data to improve their ability to identify vehicle theft rings and combat other criminal enterprises involving vehicles. Therefore, it is imperative that NMVTIS captures vehicle history information throughout the lifecycle of the vehicle. The NMVTIS LE Access Tool provides law enforcement personnel with the information necessary to investigate crimes associated with motor vehicles, including vehicles involved in violent crimes, smuggling operations (narcotics, weapons, undocumented aliens, and currency), and fraud.

JUNK, SALVAGE, INSURANCE

All entities meeting the NMVTIS definition for junk yard and salvage yard that handle five or more junk or salvage vehicles per year are required to report to the system on a monthly basis.

By reporting the required information on junk and salvage automobiles to NMVTIS, JSIs play an integral role in DOJ's efforts to prevent fraud, reduce theft, and potentially save the lives of consumers who might otherwise unknowingly purchase unsafe vehicles.

Background

Established by Congress to Provide Access to Vehicle Title Information; Offers a Range of Benefits for Consumers, States, Law Enforcement and Vehicle Agencies

NMVTIS was established by Congress under Title II of the Anti Car Theft Act of 1992 (Public Law No. 102-519). It was created to address the growing issues associated with auto theft and vehicle fraud—specifically, to:

- prevent the introduction or reintroduction of stolen motor vehicles into interstate commerce;
- protect states, consumers (both individual and commercial) and other entities from vehicle fraud;
- reduce the use of stolen vehicles for illicit purposes, including funding of criminal enterprises; and
- provide consumer protection from unsafe vehicles.

NMVTIS VEHICLES

AUTOMOBILES



BUSES



TRUCKS



MOTORCYCLES



MOTOR HOMES



TRACTORS



The intent of NMVTIS was to establish an information system to enable motor vehicle titling agencies, law enforcement, prospective and current purchasers (individual and commercial), insurance carriers, and junk and salvage yard operators access to vehicle titling information.

Specifically, in accordance with 49 U.S.C. 30502, NMVTIS must provide a means of determining whether a title is valid, where a vehicle bearing a known vehicle identification number (VIN) is currently titled, a vehicle's reported mileage, if a vehicle is titled as a junk or salvage vehicle in another state, and whether a vehicle has been reported as a junk or salvage vehicle under 49 U.S.C. 30504.

The types of vehicles included in NMVTIS are automobiles, buses, trucks, motorcycles, motor homes (e.g., recreational vehicles or RVs) and tractors. In general, NMVTIS contains titles for vehicles that meet at least one of the following criteria:

- the vehicle fulfills the definition of a junk or salvage automobile according to the regulations;
- the vehicle has an active registration and an active title;
- the vehicle has an active title; or
- the vehicle has an active registration and the registration is the proof of ownership.

Vehicles excluded from NMVTIS include trailers, mobile homes (i.e., prefabricated homes, typically permanent), special machinery, vessels, mopeds, semi-trailers, golf carts and boats.

AAMVA has worked closely with DOJ over the years on the overall strategic direction of NMVTIS. BJA has awarded federal grants to help AAMVA create the system and support state development and implementation. To date, funding received by AAMVA from DOJ to operate NMVTIS during the period FY 1996 – FY 2012 totals \$31,455,623 (see Figure 1).

A number of validation studies have been conducted over the life of NMVTIS. These studies cite the system’s benefits and/or potential cost savings to its stakeholders. Links to these are provided in the Appendix. Furthermore, NMVTIS continued to receive wide support from motor vehicle and auto industry organizations, including AAMVA and the National Automobile Dealers Association (NADA); from law enforcement organizations such as the International Association of Chiefs of Police (IACP) and the National Sheriffs’ Association (NSA); from the North American Export Committee (NAEC) and from the International Association of Auto Theft Investigators (IAATI). The benefits of NMVTIS have also been recognized by national consumer advocacy organizations and industry-affiliated groups, including the National Salvage Vehicle Reporting Program (NSVRP).

Figure 1: Federal funds to AAMVA to operate NMVTIS total more than \$31 million.

Fiscal Year (FY)	Amount
1996 (DOT) ³	\$ 890,000
1997	\$ 1,000,000
1998	\$ 2,800,000
1999/2000	\$ 6,100,000
2003	\$ 3,000,000
2004	\$ 494,739
2007	\$ 499,204
2008	\$ 271,680
2009	\$ 5,700,000
2010	\$ 5,700,000
2011	\$ 5,000,000
Total	\$31,455,623

SYSTEM OPERATOR AND RESPONSIBILITIES

AAMVA Has Remained an Effective System Operator Since 1992

Under the Anti Car Theft Act of 1992, DOT was authorized to designate a third party operator of NMVTIS. Since 1992, AAMVA has successfully acted in this capacity. AAMVA is a nonprofit association representing U.S. and Canadian officials responsible for the administration and enforcement of motor vehicle laws.

Pursuant to the NMVTIS Final Rule, the operator must provide services to: 1) state motor vehicle title agencies; 2) junk, salvage and insurance entities; 3) law enforcement; and 4) support consumer access to the system.

FUNDING

Funds Expended Totaled \$5.1 Million; State Fees Set to Begin in FY2013

During this reporting period, program funding was made available through both federal and non-federal sources. BJA awarded grant funding to AAMVA in FY2011 as a supplement to the FY2010 grant (2010-DG-BX-K039) in the amount of \$5 million to further implement, operate and enhance NMVTIS. Funds expended from the FY2010 grant during this reporting period totaled \$5,141,873. Non-federal funding in the amount of \$966,195 was earned during this period. During the last reporting period, BJA advised the supplemental funds would be the final grant awarded to AAMVA to implement the system and to offset state

³ U.S. Department of Transportation

fees. Therefore, AAMVA developed and BJA approved a state fee model. Under the approved state fee model, fees will begin during the next reporting period (effective October 1, 2012).

Recipients of BJA grants are required to submit semi-annual progress reports, quarterly training and technical assistance activity and quarterly financial status reports. Reports submitted by AAMVA are on file with BJA.

OPERATING AGREEMENT

AAMVA and BJA Operating Agreement in Development

The period of federal funding will expire in December 2012. As a result, AAMVA and DOJ are establishing an operating agreement to outline terms of the relationship between DOJ and AAMVA. During this reporting period, AAMVA and BJA had multiple meetings to develop an operating agreement.

GOVERNANCE

NAB Convened Three Times During Reporting Period; Offered Important Updates

BJA is responsible for oversight of NMVTIS consistent with regulatory and statutory requirements. Pursuant to the NMVTIS Final Rule, BJA convened an NMVTIS Advisory Board (NAB) which includes representation from key stakeholders affected by the program—states, consumers, insurance carriers, auto recyclers, junk and salvage yards, law enforcement agencies, auto industry representatives, technology partners, independent organizations focused on reducing vehicle-related crime, and the operator. The NAB was established in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended, 5 U.S.C., App. 2, and is tasked to make recommendations to DOJ's Office of Justice Programs regarding program operation and administration issues, such as establishing NMVTIS performance measures, accessing additional data within the system which is not required by the Anti Car Theft Act, assessing program costs and revenues, and evaluating quality assurance.

The inaugural meeting of the NAB convened in June 2010 and provided an opportunity for NMVTIS stakeholders to share information, discuss the interconnectedness of the system and ways to enhance NMVTIS in order to make it more effective and economically self-sustainable. Since that time, the NAB has held meetings on a periodic basis. During this reporting period, three meetings were held along with one conference call.

The first meeting during this reporting period was held in November 2011. It included presentations from the different industry segments that make up the JSI sector—representatives from the parts recycling industry, scrap recycling/shredding industry, and the salvage auction industry discussed the roles and challenges each faces when it comes to NMVTIS reporting. Additionally, two subcommittees—Technological Capabilities, Revenue Options—and one working group—Definitions and Terminology—each reported on activities and recommendations to BJA.

The second NAB meeting during the reporting period was held in March 2012. This meeting included remarks from Denise O'Donnell, Director of BJA, and consumer protection education and awareness updates provided by the Consumer Federation of America. Consumers for Auto Reliability and Safety (CARS) and the California New Car Dealers Association presented information about California AB 1215. BJA also provided a demon-

stration of the LE Access Tool and reported on efforts to increase state compliance through various state associations along with development of a six-step enforcement process for noncompliance by reporting entities. Updates from the two subcommittees were also provided and the Definitions and Terminology working group distributed its final report which included a list of definitions for commonly misinterpreted or misused terminology.

In May 2012, an updated NAB Charter was filed by Attorney General Eric Holder, Jr., outlining a new term of two years. As a result, DOJ constituted a new NAB which included a balanced mixture of returning and new members. In July 2012, a conference call was held as an orientation for new members, and the NAB Operating Procedures and Charter and the FACA Guidance for Subcommittees were reviewed. Also, during this conference call the new NMVTIS Compliance and Awareness Subcommittee was introduced, replacing the Revenue Options Subcommittee.

The final meeting during the reporting period was held in September 2012, which brought the newly constituted board together in person for the first time. A number of updates were provided, which included:

- information about California AB 1215 by the California New Car Dealers Association;
- proposed legislation for the rental car industry from CARS;
- VIN cloning training and the Online Salvage Auction Fraud Program from the National White Collar Crime Center (NWC3);
- a presentation from the Institute for Scrap Recycling Industries (ISRI) on its Scrap Theft Alert System;
- an overview on the LE Access Tool was provided from BJA;
- a demonstration of the Vehicle Theft Investigators SharePoint Site by the Regional Information Sharing Systems (RISS) Office of Technology; and
- subcommittee reports from the NMVTIS Compliance and Awareness and the NMVTIS Technological Capabilities groups.

All NAB meetings include a NMVTIS financial and program status update and are open to the public. Meeting summaries can be found on the [NMVTIS website](#).

What People Are Saying

“In my role as the Chairperson of the NMVTIS Advisory Board, I am honored to have the opportunity to lead a group of stakeholders who are committed to making NMVTIS an effective resource for states, consumers and law enforcement.”

JOSEPH FARROW
Commissioner
California Highway Patrol

“I was very pleased to be asked by the DOJ to participate for a second term on the NMVTIS Advisory Board (NAB). The NAB serves a very important role, providing guidance and expertise to help ensure that the NMVTIS program continues to grow in its effectiveness as a law enforcement tool, while also becoming self-sustainable through user fees.”

ROBIN WIENER
President
Institute for Scrap Recycling Industries (ISRI)

STATE PROGRAM

Adherence to the Anti Car Theft Act Yields Positive Results; Participating States Increased 128% Since First Report (2009)

The Anti Car Theft Act and its regulations require each state to perform an instant title verification check before issuing a certificate of title for a vehicle which an individual or entity brings into the state. Additionally, each state is required to report data into the system and pay user fees. All states were required to be fully compliant with the Act by January 1, 2010. For further details on the approaches for title verification and reporting of data, please see the **Exhibits** section of this report.

During the third reporting period, the primary trend showed an overall steady level of participation with shifts between the areas of participation for states. During this fourth reporting period, the trend of steady participation continued, and the significant milestone of having all 51 jurisdictions participate at some level was met, as indicated in the chart below:

PARTICIPATION STATUS OF STATES	REPORTING PERIOD			
	First Report- February 1, 2009 - September 30, 2009	Second Report- October 1, 2009 - September 30, 2010	Third Report- October 1, 2010 - September 30, 2011	Fourth Report- October 1, 2011 - September 30, 2012
Participating ⁴	14	28	31	32
Providing Data Only ⁵	14	10	8	8
In Development	11	11	11	11
Not Participating	12	2	1	0

Some specific accomplishments achieved during this reporting period include:

- Utah moved from “Providing Data Only” to fully “Participating;”
- New Mexico moved from “In Development” to “Providing Data Only;”
- Illinois began batch load development for provision of its data into NMVTIS, thereby, also moving into “In Development;”
- Colorado was moved to “Participating” upon loading its data; however, it was soon discovered there were discrepancies with title issue and brand dates in Colorado’s data on the NMVTIS central file. In order to maintain the integrity of data in the system, it was determined all Colorado data would be removed from both the VIN Pointer and the Brand file, which occurred in July 2012 thus moving Colorado back into “In Development.” Plans were underway for Colorado to submit the correct files for loading in November 2012; and
- State title and brand data represented in the system grew slightly—from 87% to 88%. (see Figure 2).

This period continued to show consistent and continued usage of the system by states as

⁴ States that provide data and inquire into NMVTIS before issuing new titles

⁵ States providing data but not making inquiries into NMVTIS

was also evidenced during the last period—both in the amount of data in the system and by its number of users. For example, during this reporting period over 128 million transactions⁶ were conducted (see **Figure 3**) compared to 122⁷ million transactions during the last reporting period. Specific information and data can be found under the **Consumer Access Program** section.

BENEFITS

Instant Title Information Helps Identify Data Entry Errors & VIN Cloning; Protects Vehicle Owners, States Share Important Usage Feedback

States that inquire into NMVTIS (i.e., conduct an instant title verification check) receive data on the specific vehicle, the current title, any brand information and whether the vehicle is stolen. Based on this collection of data, the state determines whether to issue a new title. When a vehicle is retitled, NMVTIS is automatically updated to show the current state of title. During this reporting period, states reported a number of beneficial results from participating in NMVTIS:

California reported:

- NMVTIS assisted in identifying California DMV keying errors.
- Six customer applications triggered staff to inquire into NMVTIS:
 - ▣ one request resulted in the cancellation of registration on two vehicle records (for the same vehicle);
 - ▣ four applications had title stops placed on the records; and
 - ▣ one is being further investigated.
- A status is added to a vehicle record when California receives notice of the vehicle moving out-of-state, thereby enabling the state to close open collection accounts (e.g., registration renewal fees).

What People Are Saying

“Using NMVTIS gives us a great tool to identify possible fraud and VIN cloning⁸. We also have identified errors on our records due to keying errors that would not have been identified without NMVTIS.”

KITTY KRAMER

Program Manager

Customer Service and Operations Support
California Registration Operations Division

Colorado reported:

- Referring customers to www.vehiclehistory.gov to request a NMVTIS Vehicle History Report from one of the approved data providers when complaints are received from customers who were unaware that their vehicle had an outstanding title from another state.

⁶ A transaction may be a title inquiry, title update or a brand update

⁷ The total number of transactions was noted incorrectly at over 230 million in the NMVTIS FY2011 Annual Report

⁸ A vehicle is “cloned” when a legitimate VIN plate is replicated and placed on a stolen vehicle making that vehicle appear to be valid.

What People Are Saying

“Although checking each record manually adds time to our overall title production, the information NMVTIS provides allows Minnesota to validate the authenticity of a motor vehicle record. We know a higher quality title is processed with the information that is presented on NMVTIS.”

CRAIG FLYNN

Title and Registration Supervisor
Minnesota Department of Public Safety

“New Hampshire has eliminated most surrender reports for all participating states thanks to NMVTIS. We estimate 22,500 titles are surrendered to the State of New Hampshire yearly. The approximate savings equal a data entry clerk position to manually key these records for a half-year’s salary or \$13,000 in savings per year. New Hampshire is very excited to report we are taking steps toward implementing the JSI file to update our records automatically for junk vehicles in our system. Currently this is a manual process. The hope is to see the same savings as we have seen in the automated surrenders realized from our using NMVTIS.”

PRISCILLA VAUGHAN

Chief Supervisor
Bureau of Title & Anti-Theft
New Hampshire Division of Motor Vehicles

Florida reported:

- 2,257 stolen vehicle hits⁹ identified using NMVTIS, initiating investigations.
- 11 cloned VINs identified, as a result of comparing NMVTIS data with that on the titles presented, prompting investigations.

Kentucky reported:

- 140 stolen vehicle hits identified using NMVTIS, prompting investigations.
- Discrepancies in data between what is presented on a title and what appears in NMVTIS prompted investigations to decipher between fraudulent activities and clerical errors.
- Significant verification on vehicle history to determine if a vehicle has been junked, salvaged or deemed total loss.

Minnesota reported:

- 33 stolen vehicle hits identified using NMVTIS, prompting investigations.
- 4 cloned VINs identified, as a result of comparing NMVTIS data with that on the titles presented, initiating investigations.
- 23 vehicle brands identified through NMVTIS, which MN carried forward onto the title document that were previously unknown, thus providing more accurate vehicle history information to the consumer.
- 7 incidents of fraudulent activity identified as a result of NMVTIS-related information. For example, a bar code was placed over a brand on a title presented or the brand was deliberately and completely removed from the title.

Missouri reported:

- 2,855 stolen vehicle hits using NMVTIS; investigations resulted in 317 title transaction stops pending further action.
- 3 records investigated based on information provided by NMVTIS and the current state of title.

⁹A “hit” occurs when a NMVTIS VIN inquiry results in a match being found on the NCIC vehicle theft file.

- 1 cloned VIN identified, prompting an investigation in cooperation with another state.

Nebraska reported:

- Using JSI data to verify whether a title should carry such a brand for a specific vehicle.

New Hampshire reported:

- 796 stolen vehicle hits as a result using NMVTIS, prompting investigations.
- Identifying and carrying forward 16,425 brands onto titles where they had been washed, providing more accurate vehicle history information to the consumer.
- 2 cloned vehicles identified, initiating investigations in cooperation with other states.

North Dakota reported:

- Using JSI data to determine whether to issue a title or what type of title to specifically issue (e.g., Salvage Title).

Ohio reported:

- 3,371 VINs returned with stolen vehicle hits, prompting investigations.
- 353,811 titles inactivated due to automated surrenders to other states.

Pennsylvania reported:

- 83 vehicles confirmed stolen as a result of investigations prompted by the stolen indicator in NMVTIS. The savings is estimated at \$373,045, the blue book value of the vehicles.

Virginia reported:

- Using JSI data as a tool to determine what brands should be considered when carrying brands forward or to determine what other information should be considered before titling a vehicle.

What People Are Saying

“Information is vital to investigations since we do not have access to other programs to find nationwide title information.”

ARDIS WELLS

Motor Vehicles Program Specialist Senior
Wisconsin Division of Motor Vehicles

“New Hampshire has trained eight additional employees to live, breathe and know NMVTIS inside and out. Our DMV is very excited to educate our entire bureau to be aware of how powerful NMVTIS is. NMVTIS is our ally!”

PRISCILLA VAUGHAN

Chief Supervisor
Bureau of Title & Anti-Theft
New Hampshire Division of Motor Vehicles

“In addition to using NMVTIS routinely in processing title applications with titles from other states, we find NMVTIS a valuable resource for investigating questionable situations with current Minnesota titles as well. The first question generally asked when a title history is questioned is “what does NMVTIS say?”

CRAIG FLYNN

Title and Registration Supervisor
Minnesota Department of Public Safety

\$373,045

in savings
in PA as a
result of 83
vehicles
confirmed stolen
through
NMVTIS

What People Are Saying

“Delaware continues to use NMVTIS to verify title brands, odometer readings and prevent auto theft. The Delaware Division of Motor Vehicles encourages any consumer or dealer to use NMVTIS before purchasing a vehicle. All of the states’ titling laws vary to a degree and NMVTIS is a great way to follow the life history of a vehicle.”

SCOTT CLAPPER

Chief of Vehicle Services

Delaware Division of Motor Vehicles

“Motor Vehicle Licensing is constantly using the vehicle history to see if a vehicle has been junked, salvaged or an insurance company has taken possession of the vehicle as total loss. NMVTIS is a very valuable tool to have when faced with these issues. When additional information is needed, we can contact the previous state of title listed in NMVTIS.”

LORETTA FOWLER

Title Branch Manager

Department of Vehicle Regulation

Kentucky Department of Transportation

“Using the NMVTIS theft and brand information has ensured that our title process is current and accurate with other states’ data.”

TED IMFELD

Program Officer

Nevada Department of Motor Vehicles

Washington reported:

- 218 brands carried forward onto the title document that were previously unknown, providing more accurate vehicle history information to the consumer.
- 5,593 stolen vehicle hits identified as a result of using NMVTIS, initiating investigations.

West Virginia reported:

- Identifying stolen vehicles and cloned VINs using NMVTIS, prompting investigations.
- Recapturing brands washed from titles.
- Using JSI data to verify the status of a vehicle before making the decision to title.

Wisconsin reported:

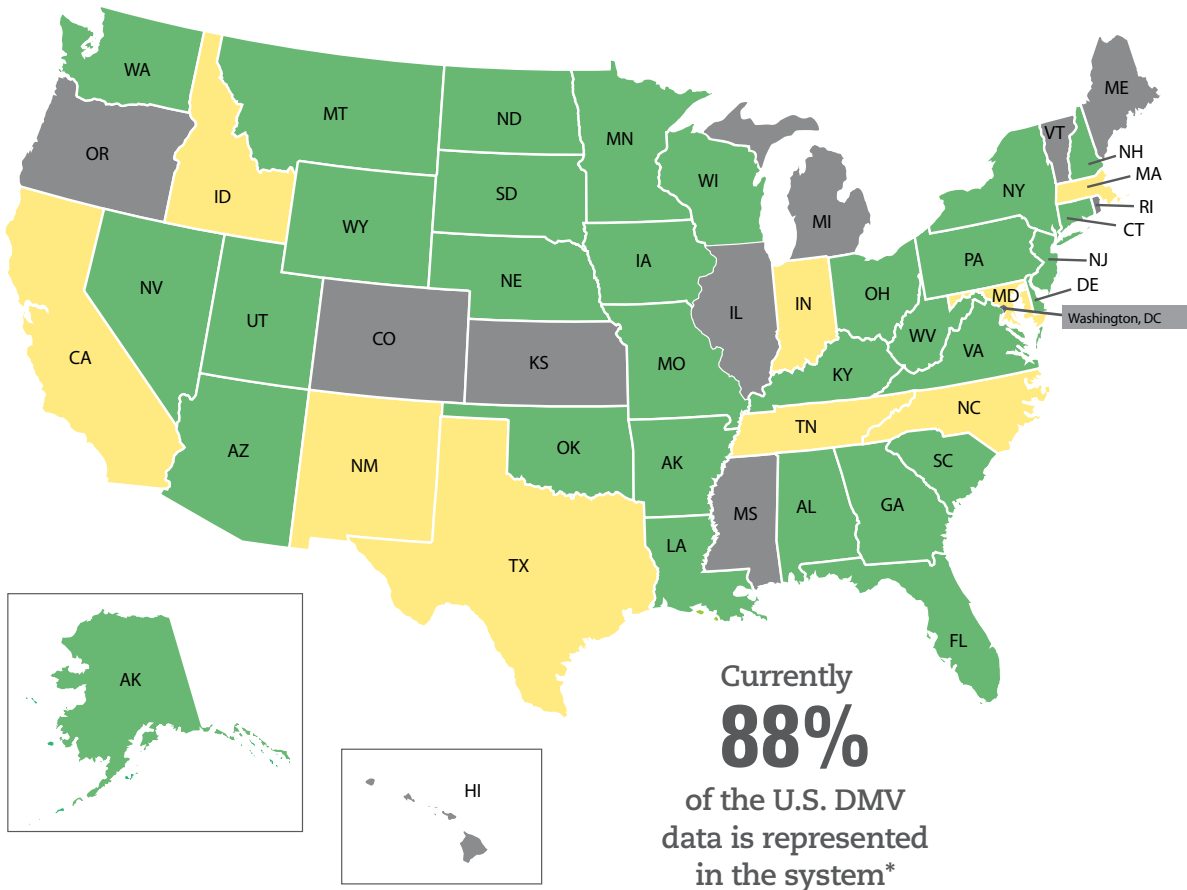
- 1,028 stolen vehicle hits as a result of using NMVTIS, initiating investigations; 364 vehicles were confirmed stolen.
- Forwarding brands from NMVTIS onto a title document where the brand did not appear on the surrendered title.
- 2 cloned VINs identified, initiating investigations.

Wyoming reported:

- Approximately 10 stolen vehicle hits identified using NMVTIS, initiating investigations.
- Recovering 100% of vehicle brands that were washed off of titles in other jurisdictions.
- Savings of several man hours by not requiring Wyoming to hand cancel titles.
- Using JSI data to determine whether to brand a vehicle whose title shows no brands. For example, some dealerships and individuals have attempted to sell a vehicle with a “clean” title when they were aware of damage, but wanted to sell for maximum value. NMVTIS helped identify these instances.

Figure 2: NMVTIS STATE PROGRAM STATUS MAP

State Motor Vehicle Administration Overall Compliance



- **32 States Participating**
(states that provide data and inquire into system before issuing new titles)
- **8 States Providing Data Only**
(states providing data but not making inquiries)
- **11 States in Development**

*Based on the most current Federal Highway Administration Data (2008)

September 2012

This map represents state motor vehicle titling agencies' level of compliance with NMVTIS. These state agencies have separate responsibilities and reporting requirements and regulations than do other reporting entities, such as junk/salvage yards and insurance carriers. Per the NMVTIS rules and regulations, state compliance includes providing data to NMVTIS, making title inquiries, and paying user fees.

PAYING USER FEES

State Fees Reinstated in FY2013; Revised Fee Model Implemented Based on State Feedback

States are required to pay user fees as established by the operator with the approval of BJA. Should revenue from other system services reach a sufficient level, state user fees

may be offset or possibly eliminated. This provision, in conjunction with other aspects of NMVTIS administration, is designed to limit any negative financial impact on states.

As mentioned earlier under the **Funding** section, BJA awarded AAMVA a supplement to the FY2010 grant which relieved states of paying user fees during this reporting period. BJA also advised AAMVA that the supplemental award would be the final grant awarded; thereby requiring state fees to be reinstated to cover the period starting October 1, 2012 through September 30, 2013.

In accordance with the NMVTIS Final Rule, which requires a 12-month advance notification before charging state fees, AAMVA issued its formal notice in September 2011 to all of the state motor vehicle titling agencies regarding the relief of paying state user fees during FY2012 and the future reinstatement of state user fees in FY2013. Also detailed in that notice was the revised fee model, developed from discussions held at AAMVA regional conferences and via webinars with the AAMVA Board of Directors and approved by both AAMVA and BJA. The model is based on the following key tenets:

- state fees will cover a maximum 50% of total NMVTIS operational costs;
- an equitable 51-tier structure—calculated by each state’s number of registered vehicles (as reported by jurisdictions to the Federal Highway Administration) as a percentage of the total U.S. registered vehicle population—assigns each state a percentage of responsibility from the total system operating costs;
- the remaining 50% of operating costs will be covered by a combination of other sources of funding (such as program income) and/or AAMVA’s association funds; and
- states may receive a 50% credit of the revenue associated with each consumer access transaction that results in data returned for a VIN pointing to that state as the current state of title. BJA will make the determination whether states are currently in compliance and, therefore, eligible to receive the applicable credit.

What People Are Saying

“North Dakota has found NMVTIS to be a useful tool in researching out-of-state vehicles where brands may have been washed or the vehicle has been reported stolen. We look forward to working with NMVTIS on future enhancements.”

CONNIE TODD

Dealer/Consumer Services Manager
North Dakota Department of Transportation

“NMVTIS has proven itself a valuable asset to the West Virginia Division of Motor Vehicles. Utilizing this tool helps to protect our customers against errors and promotes accuracy and integrity in our business process.”

WILBUR THAXTON

Information Technology Director
West Virginia Division of Motor Vehicles

STATISTICS

Note: These counts are based on records versus the number of VINs in the system (see Figures 3-8).

Figure 3: Over 128 million transactions (title inquiries, title updates and brand updates) were conducted by states during the reporting period.

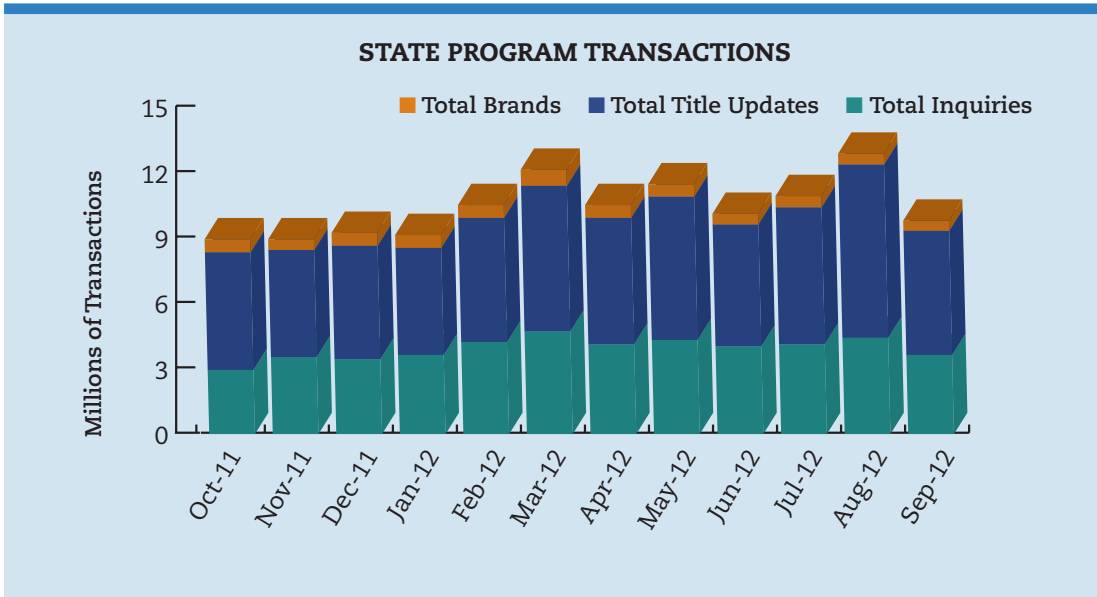


Figure 4: Current title records from the 40 states providing data in NMVTIS during this reporting period numbered approximately 401 million.

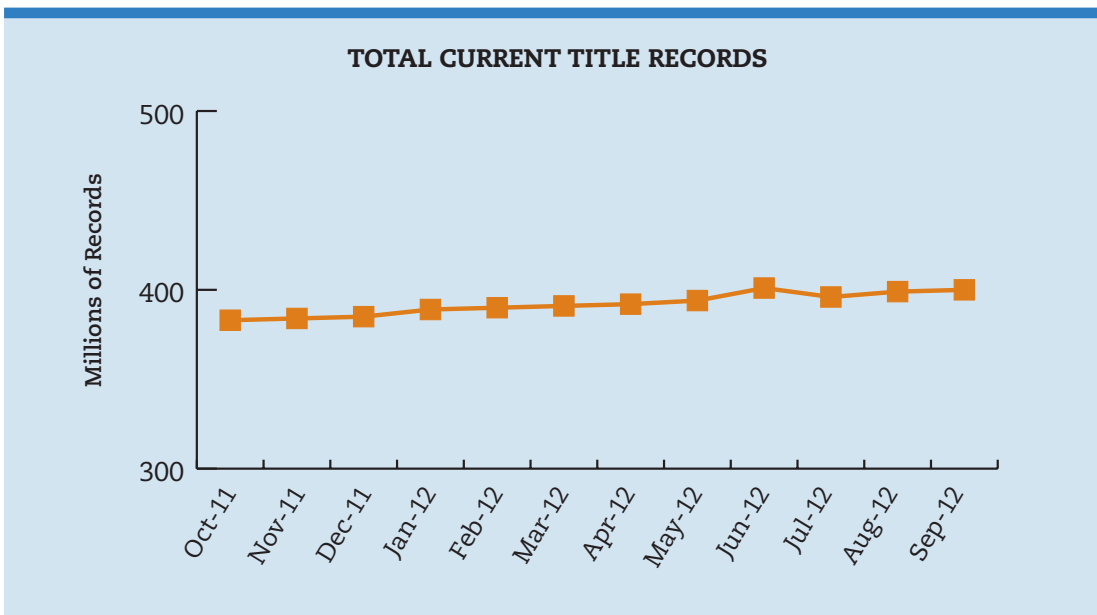


Figure 5: During the reporting period, more than 55 million vehicle records were moved from the “Current Title” file into the “Title History” file due to those vehicles being transferred from one state to another. There is a total of 372 million vehicle records in the Title History file.

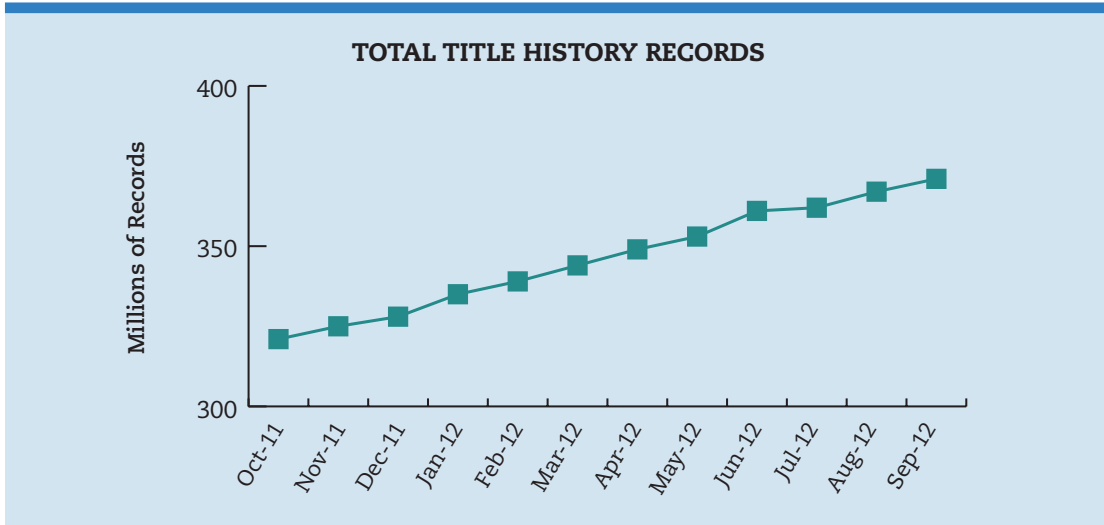
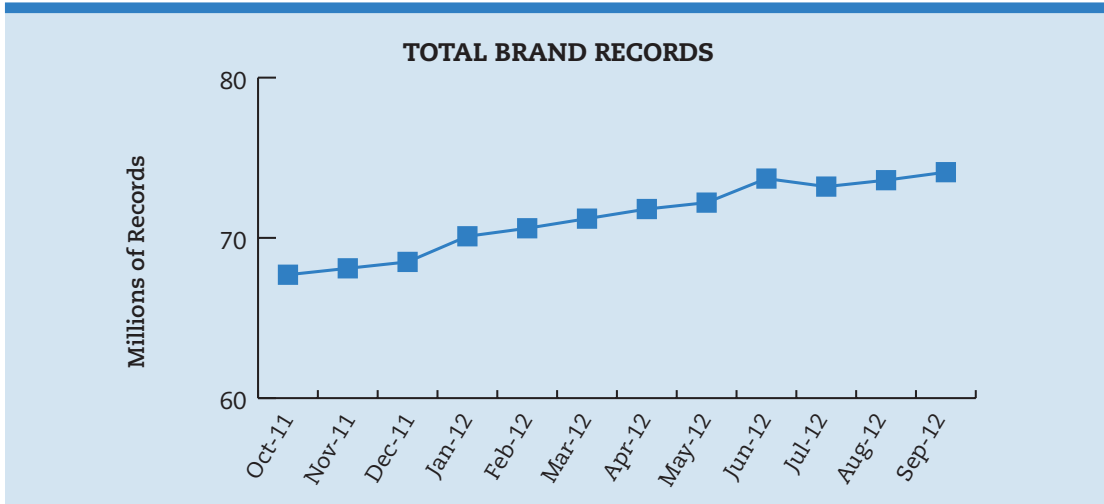


Figure 6: Brands captured in NMVTIS steadily increased during the reporting period—brands increased from nearly 67 million to more than 74 million, representing a 9% increase over FY2011.



What People Are Saying

“PennDOT places an indicator on a vehicle record when that vehicle has been identified as moved to another state through NMVTIS. As a result, the indicator precludes an invitation to renew the vehicle registration from being mailed to the PA resident. We estimate there are approximately 500,000 annually which would create savings of \$195,000 in postage.”

STEPHEN TOMASSINI

Division Manager

PennDOT Bureau of Motor Vehicles

Figure 7: The number of brand records by brander. Branders include states, U.S. General Services Administration (GSA) and U.S. Department of Transportation (DOT).

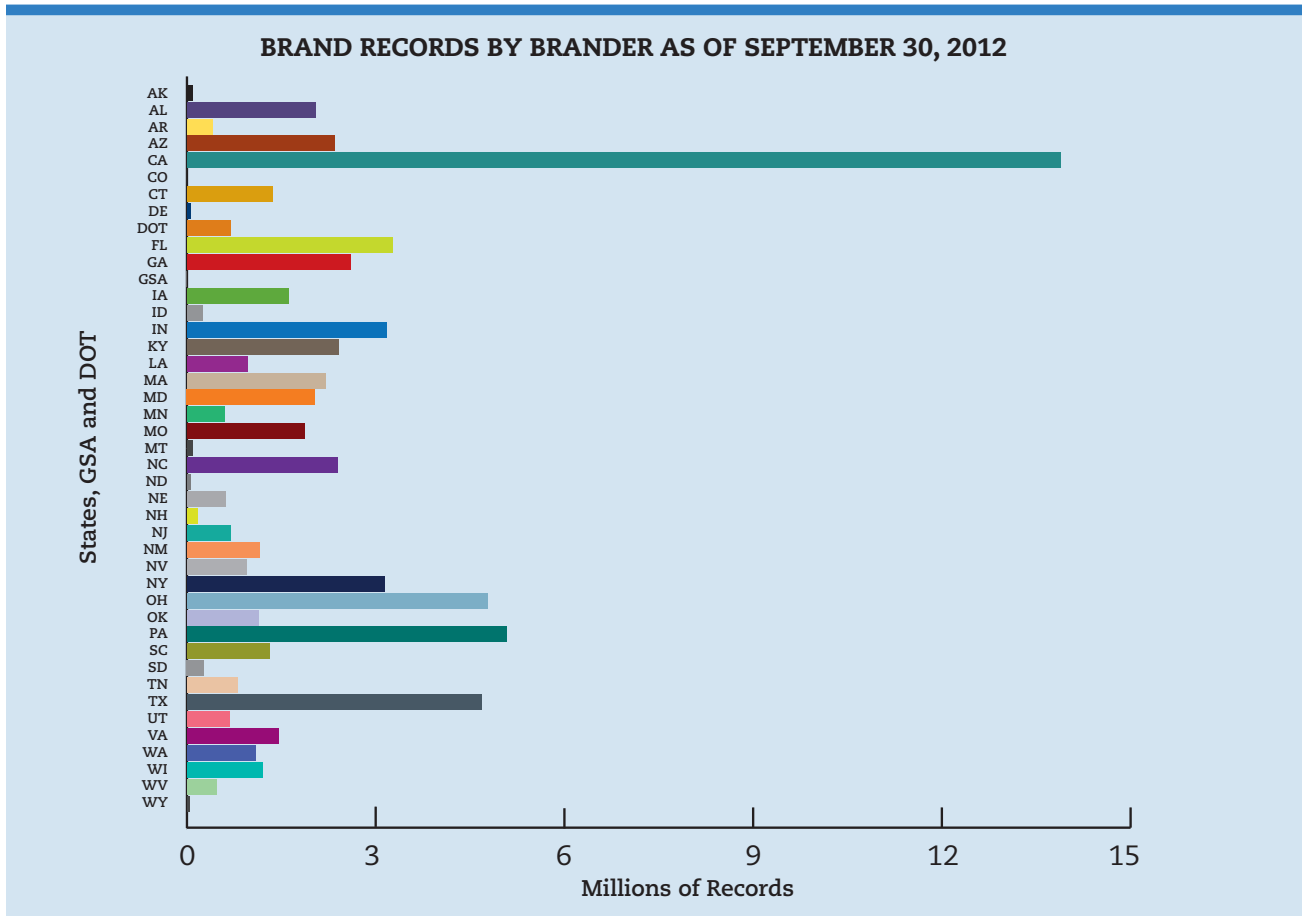
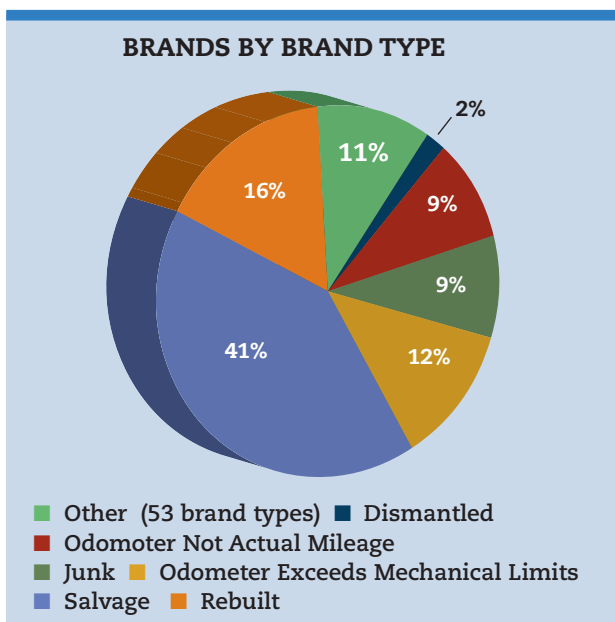


Figure 8: The top seven brands are illustrated along with an “Other” category that includes up to 53 other brands.



What People Are Saying

“We run a NMVTIS check on virtually every case. There is enhanced satisfaction by customers because the wait time for out-of-state title histories is eliminated.”

ARDIS WELLS

Motor Vehicle Program Specialist Senior
Wisconsin Division of Motor Vehicles

“NMVTIS has been such a useful tool; I can’t even begin to imagine how many errors we had before it!”

SHANNON DEGRAZIO

NMVTIS Jurisdiction Administrator
Wyoming Department of Transportation

CONSUMER ACCESS PROGRAM

Growth Attributed to Providers' Continued Use and Awareness Efforts

The Anti Car Theft Act allows "prospective purchasers" (commercial and individual consumers) to investigate used cars they are considering for purchase through NMVTIS. A federal court ruling in September 2008 required information from NMVTIS be available to the public by January 30, 2009. Effectively, consumers would have online access to current title, vehicle brand and title history, and junk, salvage and insurance total loss data.

During this reporting period, the consumer access program experienced its most significant growth. The volume of inquiries conducted during this reporting period increased 1,227%— from 167,427 inquiries in the last reporting period to 2,221,681 inquiries in FY2012.

The year-to-year comparison of the number of consumer access inquiries (see **Figure 10**) illustrates steady growth. The growth in this program area continues to be a result of the providers' efforts to expand the use and awareness of NMVTIS vehicle history information as well as the passage and implementation of the **California AB 1215**.

Approved Data Providers:

At the beginning of the reporting period, there were five approved providers offering NMVTIS Vehicle History Reports to the public, including individual and commercial users. The number increased to seven during the end of the first quarter with the addition of VINSmart and VINAudit.

In response to the passage of AB 1215, Carfax and AutoCheck, along with Computerized Vehicle Registration (CVR), became approved providers. These three providers restrict their offering of NMVTIS Vehicle History Reports to only dealer customers in the state of California.

Overall, six of the ten approved data providers support individual consumers as well as commercial consumers such as motor vehicle dealers. The remaining four, including the three noted above, and Motor Vehicle Software Services (DMVDesk®), only provide NMVTIS information to their dealer customers.

Implementation of California AB 1215:

AB 1215 prohibits a dealer from displaying or offering a used vehicle for retail sale unless the dealer first obtains a vehicle history report from NMVTIS. If the NMVTIS Vehicle History Report indicates that the vehicle is or has been a junk or salvage automobile, or the vehicle has been reported as such by a junk or a salvage yard, or an insurance carrier, or the certificate of title contains a brand, the dealer is required to post a specified disclosure and provide the retail purchaser with a copy of the report upon request, prior to sale.¹⁰ As noted previously, AB 1215 resulted in additional providers, but it also contributed to the expansion in the volume of consumer inquiries. In the months prior to the effective date of AB 1215, the monthly consumer access inquiries began to grow from approximately 30,000 in March 2012 to over 400,000 in June 2012.

It is also important to note the growth in volume from other strategic efforts by approved data providers to continue to explore growing business interest in new and emerging areas.

¹⁰ The **Occupational Licensing Industry News** notification was issued by the California Department of Motor Vehicles.

AAMVA developed and implemented a variety of administrative and pricing strategies to support the approved providers' strides toward expansion.

With the overall growth in the volume of inquiries and the corresponding use of the official [NMVTIS site](#), the official NMVTIS Disclaimer was revised to include new language:

A vehicle history report is NOT a substitute for an independent vehicle inspection. Before making a decision to purchase a vehicle, consumers are **strongly encouraged to also obtain an independent vehicle inspection** to ensure the vehicle does not have hidden damage. The [Approved NMVTIS Data Providers](#) (look for the NMVTIS logo) can include vehicle condition data from sources other than NMVTIS.

Upon seeking and receiving input from a number of the authorized providers, revisions were also made to the manner in which the approved providers are advertised and displayed on www.vehiclehistory.gov

Inclusion of Theft Information:

BJA worked with the FBI Criminal Justice Information Services (CJIS) Advisory Policy Board (APB) to obtain approval to allow NMVTIS consumers access to limited National Crime Information Center (NCIC) auto theft data. The CJIS APB is a federal advisory committee established pursuant to the Federal Advisory Committee Act (FACA). As a condition to this approval, each state must agree to share its state auto theft records with consumers through NMVTIS (and some other systems). During this reporting period, a survey was prepared and distributed to the state CJIS Systems Officers requesting this approval. As of the end of this reporting period, the survey process has not been completed and the CJIS APB is still waiting from responses from a number of states.

What People Are Saying

"In the four years since ADD brought NMVTIS consumer access online, we've seen a marked improvement in the level of state participation. NMVTIS is moving forward, even becoming a mandated part of the used-car sales process in California, which makes it beyond imperative that the outstanding 10 states implement NMVTIS participation. As the use of NMVTIS by consumers increases, if the information in the system is not complete, we run the risk of damaging the public perception of both the system and its providers."

JIM TAYLOR
President
Auto Data Direct Inc.

Consumer inquiries increased by

1,227%
in FY2012¹¹

¹¹ California's AB 1215 resulted in additional providers and contributed to the increase in volume of consumer inquiries during this reporting period.

BENEFITS

Helps Reduce Vehicle Fraud; Helps Protect Consumers from Unsafe Vehicles and Unfair Prices

Consumers can search NMVTIS to discover:

- information from a vehicle's current title, including the vehicle's brand history;
- latest reported odometer reading;
- any determination that the vehicle is "salvage" by an insurance carrier or a self-insuring organization (including those vehicles determined to be a "total loss"); and
- any reports of the vehicle being transferred or sold to an auto recycler, junk yard or salvage yard.

Through NMVTIS, once a vehicle is branded by a state motor vehicle titling agency, that brand becomes a permanent part of the vehicle's NMVTIS record. Vehicles that incur significant damage are often branded "junk" or "salvage." Without a fully operational NMVTIS, motor vehicles with brands on their titles can, without much difficulty, have their brands washed. Fraud occurs when these vehicles are presented for sale to unsuspecting consumers without disclosure of their true condition, including brand history. These consumers may pay more than the vehicle's fair market value and may purchase an unsafe vehicle. NMVTIS is effective in greatly reducing vehicle fraud, helping to prevent a significant number of vehicle-related crimes and potentially saving the lives of consumers who might unknowingly purchase unsafe vehicles.

STATISTICS

Figure 9: There was consistent growth in consumer access inquiries during this reporting period. Nearly 13,000 inquiries were made in October 2011 and more than 425,000 were made in September 2012. Inquiries peaked in June in anticipation of California AB 1215 implementation effective July 1, 2012.

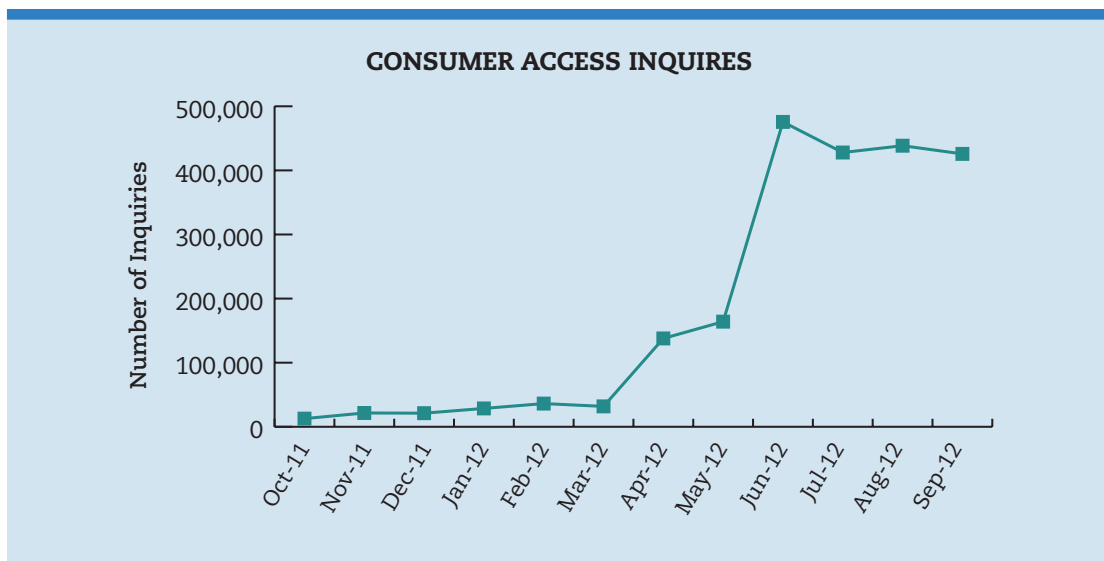
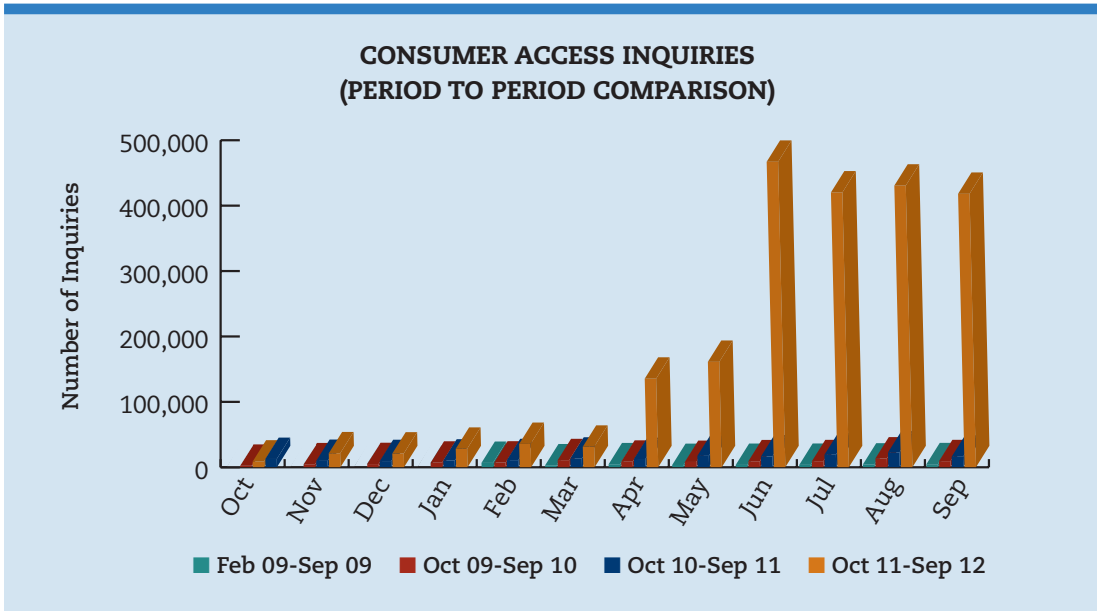


Figure 10: More than 2.2 million inquiries were made by consumers during this reporting period. During the previous reporting period, 167,000 inquiries were made and inquiries from the second reporting period numbered 94,000 with 30,000 made during the first reporting period.



THIRD PARTY REPORTING PROGRAM

JSIs and Auto Recyclers Report to NMVTIS Monthly; Number of Reported Records Continued to Steadily Increase

The Anti Car Theft Act requires in addition to state motor vehicle titling agencies, other third parties must report vehicle information into NMVTIS. Specifically, junk and salvage yards, auto recyclers and insurance companies¹² were required to report (not less frequently than monthly) vehicles deemed “junk,” “salvage” or “total loss” to NMVTIS beginning

March 31, 2009. There are two reporting exceptions: 1) entities that handle fewer than five vehicles per year deemed salvage (including total loss) or junk; and 2) entities that currently report the required data elements to the state in which they are located and that state provides the required information to NMVTIS.

After three and one-half years in operation, the third party reporting program continued in a steady climb in the number of records that were reported.

The below four data consolidators provide data reporting services to businesses required to report to NMVTIS:

1. AAMVA’s Single VIN reporting service;
2. Audatex;
3. Auto Data Direct Inc.; and
4. Insurance Services Office (ISO).

What People Are Saying

“Insurance Services Office (ISO) welcomes the opportunity to work closely with AAMVA as we look to enhance the quality of data being submitted (to AAMVA) on behalf of our customers and provide visibility and transparency to its access. An aggressive Outreach Program aimed at educating our customers on reporting and monitoring ‘best practices’ that will be launched in 2013 is an excellent example of the partnership at work.”

CARLOS MARTINS
Assistant Vice President
ISO ClaimSearch

STATES AND THIRD PARTY REPORTING

There were changes regarding state agencies reporting information to NMVTIS on behalf of businesses with NMVTIS reporting obligations.

Georgia, Department of Revenue:

During the 2012 session, the Georgia General Assembly passed **House Bill (HB) 872** for businesses engaged in the purchase or receipt of salvage vehicles. Beginning July 1, 2012, secondary metals recyclers, used motor vehicle parts dealers, and scrap metal processors (“Salvage Dealers”) must report NMVTIS information to the Department of Revenue (DOR). In turn, DOR was required to provide an electronic reporting method for salvage dealers that

¹²The list of industries that are specifically identified in the NMVTIS definitions of “junk yard” and “salvage yard” is not an exhaustive list. If a business satisfies the definition of a “junk yard” or “salvage yard” (i.e., the business is an entity engaged in the business of acquiring or owning junk automobiles or salvage automobiles for resale in their entirety or as spare parts; or rebuilding, restoration, or crushing) AND the business handles five or more junk automobiles or salvage automobiles per year, THEN that business has a NMVTIS reporting obligation.

satisfies the salvage dealer's state reporting requirements as well as federal NMVTIS reporting requirements. Instead of establishing itself as a full service NMVTIS data consolidator, Georgia DOR (through a competitive process) awarded the opportunity and contract to one of the existing NMVTIS Data Consolidators; Auto Data Direct (ADD), Inc. Through this arrangement, reporting entities continue to report to ADD and ADD reports the applicable information to NMVTIS on the businesses behalf as well as to Georgia DOR, fulfilling federal and state requirements, through one point of entry.

Maryland, Department of State Police:

After a number of months of stalled development activity to become a data consolidator, Maryland's Department of State Police made the decision to discontinue its development efforts.

Alabama, Department of Revenue:

During the last reporting period, AAMVA began to support the Alabama Department of Revenue (DOR) in its effort to satisfy a state law requiring scrap recyclers and dismantlers to provide their NMVTIS reporting entity identification number prior to being issued a state business license. During this reporting period, there was a marked increase in registration activities with the data consolidation services as businesses rushed to obtain an NMVTIS reporting entity identification number. AAMVA, using a manual process, continued to provide reporting entity registration information (business name, reporting ID number) to the Alabama DOR on a weekly basis.

Texas, Department of Motor Vehicles:

Texas Department of Motor Vehicle, Salvage Division made two changes to their salvage license/application document to remind and/or educate a licensee of the federal requirement to register and acquire an NMVTIS identification number. They added a field for the NMVTIS identification number and included a paragraph containing information about the federal requirement for NMVTIS registration onto their mailing insert that is sent to new and renewing licensees.

New York, Department of Motor Vehicles:

During the last reporting period, AAMVA provided a weekly extract file from the JSI central file to help supplement New York State's destroyed vehicle program. During this reporting period, AAMVA continued to provide to the New York DMV information from the third party reporting program on vehicles that were reported with a disposition of "crushed" or "scrap" by those reporting entities with business addresses in New York. During the reporting period, a total of 314,069 vehicles were extracted for this purpose.

In addition to the above noted examples, other states (South Carolina; Utah) have added language to state statutes that requires entities to comply with the reporting requirements of NMVTIS.

What People Are Saying

"The NMVTIS reporting system link has enabled us to utilize the staff that would have been manually entering this information and reassign them to other important tasks."

WILLIAM DEVOE

Chief Investigator

New York Department of Motor Vehicles

PROGRAM REVIEW

Stakeholder Concerns Raised About Duplicate Reporting; AAMVA Initiated Program Review

During past reporting periods, concerns had been raised by a number of third party reporting program stakeholders regarding the cost burden associated with reporting their information to NMVTIS. Those stakeholders also expressed concerns over what appeared to be “duplicate” reporting for many reporting entities (i.e., many reporting entities are already reporting particular vehicle title data information to either state or county agencies and must report similar information at the federal level). As a result, stakeholders undertook efforts to

encourage state legislators to pass legislation that would require the applicable state agencies to provide information submitted by reporting entities to NMVTIS on their behalf. The legislation passed in Georgia was the result of such an effort. The system operator raised concerns about the potential cost implications to both itself, as well as, to the state if the number of data consolidators expanded. In an effort to better address this concern, the system operator initiated a review of the third party reporting program.

What People Are Saying

“Now having completed its fourth year of operation since the posting of the 2009 Federal Rule, NMVTIS has become the key database for searching for third party junk/salvage reporting. What makes NMVTIS so important is that, as a federally-mandated reporting system, NMVTIS has two particularly unique characteristics. The first characteristic is that it mandates who has to report, and what has to be reported is governed by broad and consistent federal definitions. The second critical feature is that the failure to report can provide some recourse against the violator who did not report the total loss to NMVTIS. These two features are central to protecting the public.”

HOWARD NUSBAUM

Administrator

National Salvage Vehicle Reporting Program

BENEFITS

Helps Prevent Fraud, Theft and Helps Protect Consumers from Unsafe Vehicles

- By reporting VINs of vehicles that are deemed junk, salvage or insurance total loss to NMVTIS, NMVTIS serves to help prevent fraud and theft as well as helps protect families from unsafe vehicles.
- States and law enforcement rely on NMVTIS data to obtain the full vehicle lifecycle.

COMPLIANCE EFFORTS

Civil Penalty Enforcement Process Finalized; BJA Investigates Non-reporting Referrals

During this reporting period, BJA finalized a civil penalty enforcement process for non-reporting that included establishing **NMVTIS Final Penalty Decision Considerations** which were made available on the NMVTIS website. Posting these criteria reflects BJA’s commitment to maintaining a transparent and consistent civil penalty review process.

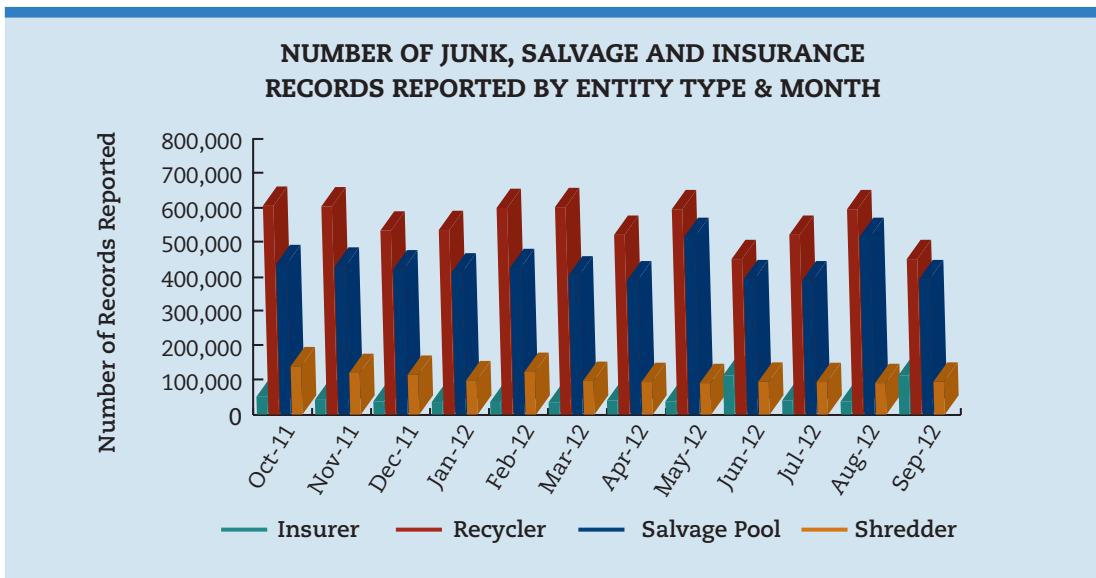
While emphasizing awareness, BJA also responded to both public and law enforcement generated referrals for non-reporting. BJA investigated cases in 11 states during this period.

This led to BJA issuing six Notice of Civil Penalty letters that resulted in two businesses coming into full compliance with NMVTIS reporting requirements and the closure of four non-reporting entities.

BJA continues to coordinate its enforcement efforts with NHTSA, FBI, and state and local law enforcement to identify and investigate NMVTIS reporting violations. Some of the agencies BJA supported during this period include the Baltimore County (MD) Police Department, the Pennsylvania State Police Auto Theft Task Force, the Philadelphia (PA) Police Department, the San Juan County (NM) Sheriff’s Office, and the West Fargo (ND) Police Department.

STATISTICS

Figure 11: During this reporting period, more than 14.1 million JSI records were reported.



PROGRAM AREAS: THIRD PARTY REPORTING

Figure 12: The number of types of entities (including insurers, recyclers, salvage pools and shredders) reporting by month were steady throughout the reporting period. An average of 4,200 entities reported each month.

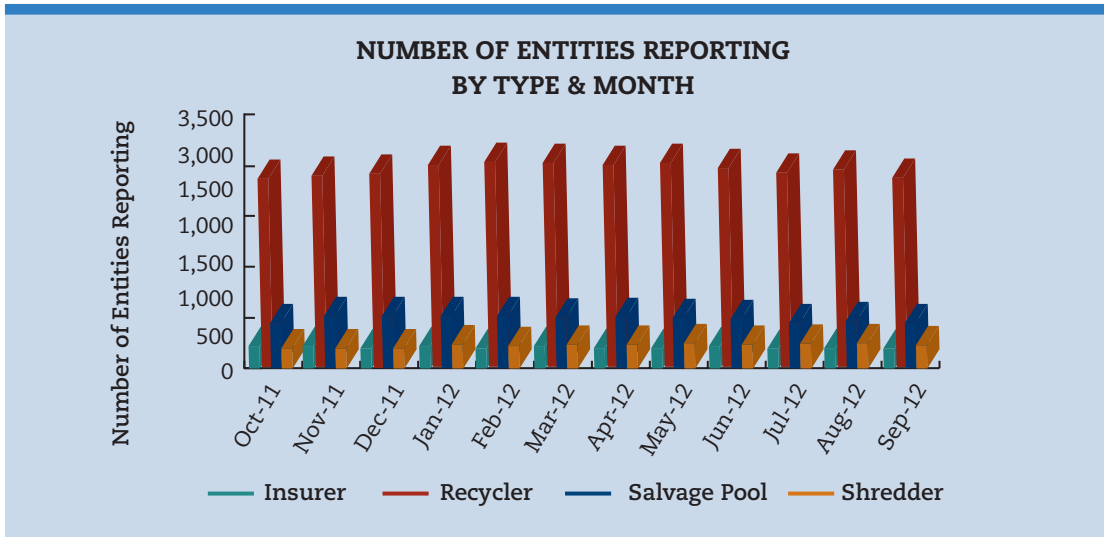
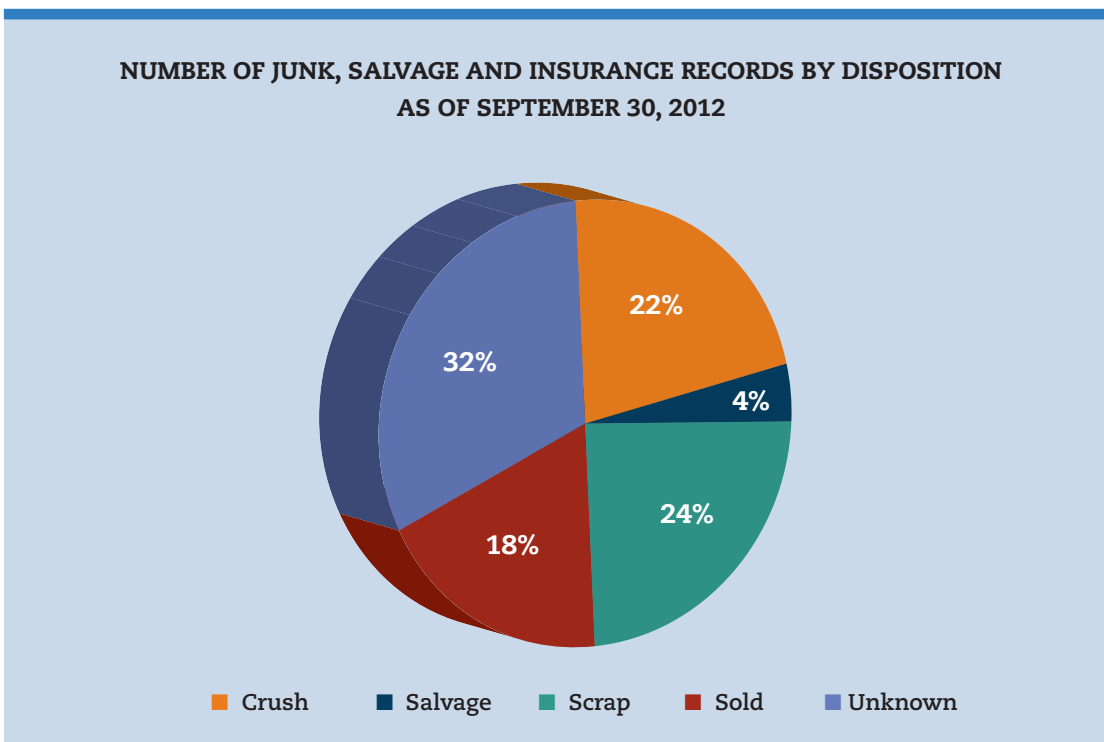


Figure 13: Number of junk, salvage and insurance records by disposition in NMVTIS by the end of this report period.



LAW ENFORCEMENT ACCESS PROGRAM

Use of Law Enforcement Access Tool Significantly Increased; VIN Cloning and Vehicle Title Fraud Training Seminars Educate 200 Law Enforcement Personnel

Under the Anti Car Theft Act, law enforcement agencies are authorized users of NMVTIS data. During the reporting period, the system operator continued to support BJA efforts to expand usage of NMVTIS data by the law enforcement (LE) community.

During the reporting period, the NMVTIS LE Access Tool experienced significant growth in its usage. The amount of data available expanded to include junk, salvage and insurance total loss information. The number of visits to the NMVTIS LE Access website grew from just over 105,000 during the last reporting period to 187,367 in the current period—an increase of 78%.

The total number of law enforcement users of NMVTIS data increased by 41% over last reporting period. This growth can be attributed to two factors: 1) the steady outreach and awareness efforts by BJA; and 2) the continued roll-out of the VIN Cloning and Vehicle Title Fraud training program developed by the National White Collar Crime Center (NW3C) under BJA's auspices. More than 200 law enforcement personnel attended VIN Cloning and Vehicle Title Fraud Training seminars during this reporting period. This training program is targeted for auto theft investigators at the state and local level as well as law enforcement and investigative units within motor vehicle agencies, to provide information, tools and techniques for identifying and investigating VIN cloning and vehicle fraud. NMVTIS is presented as one of the “tools” available to the law enforcement community in combating vehicle fraud.

What People Are Saying

“NMVTIS is an asset to law enforcement agencies and can assist investigators with combating vehicle theft and associated crimes.”

JOSEPH FARROW
Commissioner
California Highway Patrol

BENEFITS

NMVTIS Provides Data that Would be of Assistance to Investigations

The NMVTIS LE Access Tool provides law enforcement with the information necessary to investigate crimes associated with motor vehicles, including vehicles involved in violent crimes, smuggling operations (narcotics, weapons, human trafficking and currency), and fraud. NMVTIS provides valuable data that can assist law enforcement in:

- identifying stolen motor vehicles;
- identifying vehicle theft rings; and
- identifying other criminal enterprises involving vehicles.

The Baltimore Regional Auto Theft Team provided two real-world examples of how law enforcement benefits from use of NMVTIS information:

Example 1 – NMVTIS Assisted in Multi-state, Multi-title Investigation:

The Baltimore Regional Auto Theft Team located an altered New Jersey title displaying a VIN for a 2009 Honda Accord. The title had been received at Maryland’s Motor Vehicle Administration (MVA). The detective conducted checks of the VIN through multiple databases including the National Insurance Crime Bureau’s (NICB) ISO database and NMVTIS. Detectives were able to determine the vehicle’s VIN was originally issued a title in New Jersey and eventually had been a salvaged vehicle in Pennsylvania. After checking NMVTIS, detectives learned the vehicle had been registered in Maryland on November 12, 2010 using the altered New Jersey title and that the vehicle appeared to be registered eight days later in Ohio. The detective contacted Ohio’s Motor Vehicle Department to inquire about the registration. It was discovered the fraudulently obtained Maryland title had been used to title the vehicle. Upon checking with officials in Ohio, it was determined they also received an altered New Jersey title at the time of registration.

Furthermore, Ohio representatives confirmed there was a second vehicle, a BMW that was also registered at the same time with an altered New Jersey title.

It was through the use of NMVTIS that the multiple titles in multiple states were located and the additional vehicle registration was located.

Example 2 – NMVTIS Identified Vehicle as “Junk”:

The Baltimore Regional Auto Theft Team was involved with an investigation where individuals were “re-VINning” (i.e., VIN cloning) stolen vehicles and selling them at auctions using altered titles. During inspections of titles, an altered New York title was located

as having been submitted to the MVA. The detective completed research on the vehicle using NMVTIS. NMVTIS was found to be the only database indicated the vehicle had been a junk salvage sold to an auto parts location in Wisconsin.

The detective made contact with the junk yard and requested photographs of the vehicle. A photograph of the vehicle was received, which showed a totaled vehicle with no front end, motor and multiple other body parts missing. The vehicle was registered at a location in the Hagerstown area of Washington County, was later located by Hagerstown Police Department and was eventually turned over the Maryland State of Police for follow up.

What People Are Saying

“Vehicle theft and cloning have become a lucrative business for organized criminals and groups within the State of Maryland and across the country. Having access to NMVTIS provides investigators with the information necessary to investigate vehicle-related crimes.”

CHRISTOPHER MC DONOLD

Deputy Director

Maryland Vehicle Theft Prevention Council

Department of State Police

STATISTICS

Figure 14: The total number of law enforcement users increased by 41% over last reporting period.

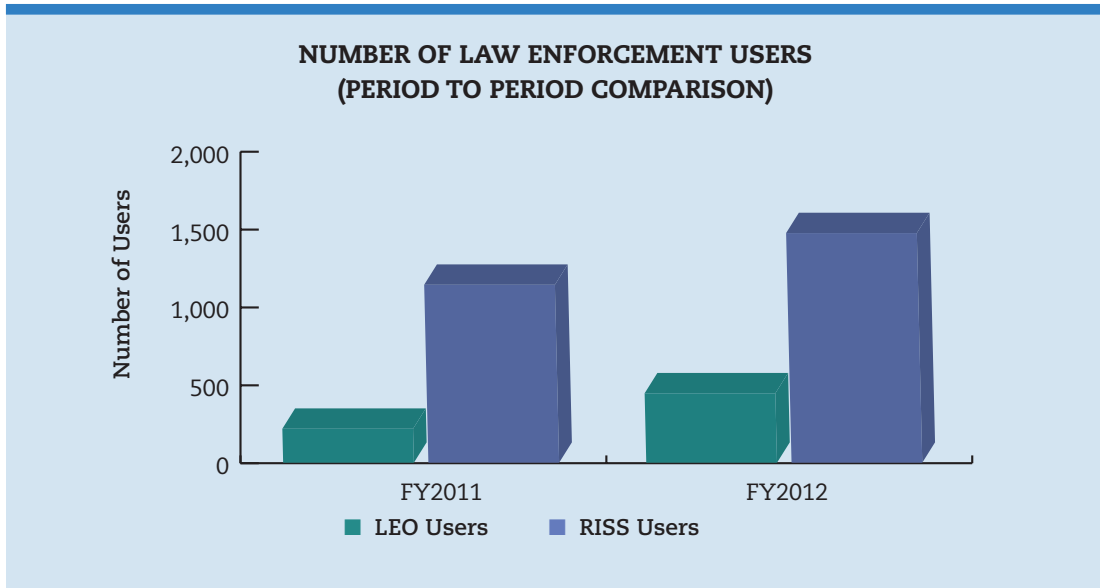
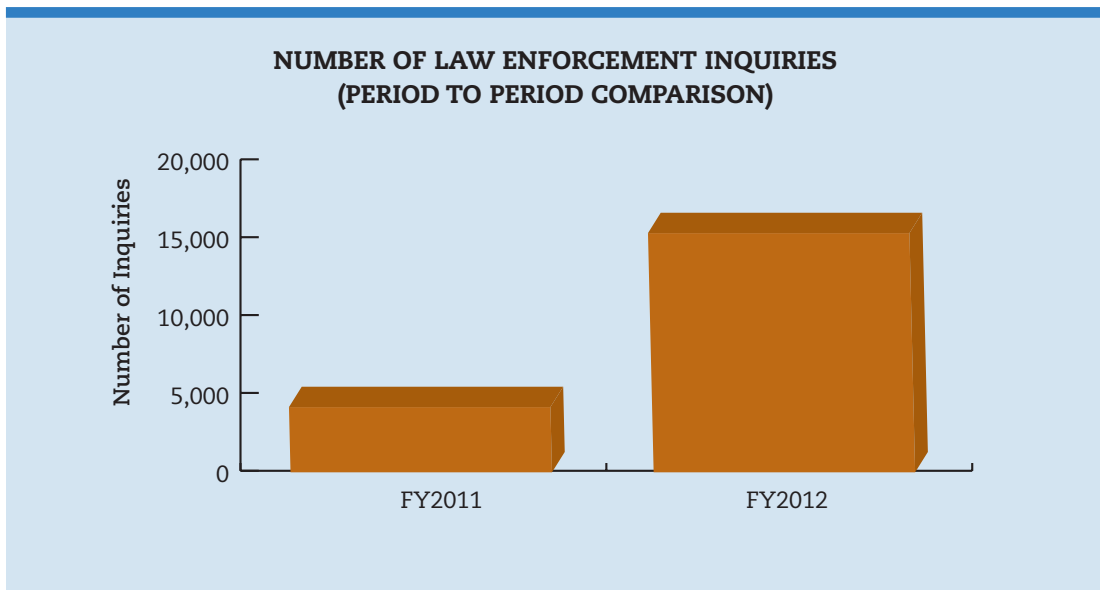


Figure 15: More than 15,000 inquiries were made during the reporting period compared to just over 4,000 during the previous reporting period.



CONSUMER ASSISTANCE TO RECYCLE AND SAVE ACT OF 2009 (CAR ALLOWANCE REBATE SYSTEM – CARS)

Under the June 2009 Consumer Assistance to Recycle and Save Act, all the vehicles traded in were reported to NMVTIS and branded with a special CARS program brand, which denoted the vehicle should never be roadworthy. Additionally, the legislation required that junk and salvage yards report any CARS program traded-in vehicle to NMVTIS to record the vehicle had been destroyed. During the reporting period, the CARS program no longer accepted traded-in vehicles and AAMVA's contract with DOT closed as of October 7, 2011. Activities that followed were largely administrative to close out the contract, while DOT's NHTSA continued to monitor and enforce compliance to ensure that vehicles traded in under the program were destroyed, as required.

OUTREACH/AWARENESS OF NMVTIS

What People Are Saying

“This pilot project sifting data from just one state shows promise for significant additional results as the project is expanded. These results reaffirm the value of public/private partnerships where the roles and responsibilities of each intersect.”

DAN ABBOTT

Sr. Vice President and Chief Information Officer
National Insurance Crime Bureau

“California’s enactment of legislation during this period requiring dealers to use the NMVTIS in all used car sales was a great boost to the program, both in stature and potential consumer and dealer use. The NAB, AAMVA and DOJ continue to work effectively to expand the system to include data from all states, to take action against reporting violations, and to ensure its continued funding.”

WILLIAM BRAUCH

Iowa Special Assistant Attorney General
Iowa Attorney General Office and
Director
Consumer Protection Division

The outreach efforts during the reporting period remained consistent with efforts in previous periods. Outreach efforts focused on providing opportunities for stakeholders to increase their awareness and understanding of the NMVTIS requirements as well as exploring and expanding opportunities to use NMVTIS. Use of the www.nmvtis.gov site was phased out to provide a simpler, more direct link to information about NMVTIS. The official site www.vehiclehistory.gov was launched and regular updates made, as required. During the reporting period, there were approximately 4,000 public inquiries made to www.vehiclehistory.gov.

Regular updates were provided to the AAMVA Board of Directors and to the NAB at each of their meetings. The updates were fundamental to ensuring that Board members were fully aware of the system, its intent and its operational and strategic status. In addition to updates at the Board meetings, there were more than 20 NMVTIS update and awareness events, including webinars, briefings, conferences and discussion panels. Here are some specific examples of such events:

- National Insurance Crime Bureau (NICB) 4th Annual Vehicle Financial Fraud Seminar Presentation – outlined the legislative and regulatory requirements of all stakeholders as well as demonstrated the opportunity for law enforcement use of NMVTIS in vehicle fraud investigations;
- Consumer Federation of America’s Consumer Assembly Presentation – outlined the role NMVTIS data plays in providing consumers key information to make an informed used vehicle purchase decision;
- AAMVA, in partnership with BJA, hosted two webinars on the Junk, Salvage and Insurance reporting requirements for over 500 attendees;
- Mailings to over 25,000 reporting entities regarding NMVTIS reporting requirements;
- Distributed over 3,000 NMVTIS **consumer** and **crime prevention** brochures to state and county offices;
- Responded to media inquiries from both local and national outlets; issued a press release **“Private Sector Joins Justice Department In Protecting Consumers from Vehicle Fraud and Unsafe Vehicles”** announcing the partnership with the private sector to protect consumers; and
- In support of the implementation of the California law that requires motor vehicle dealers offering used vehicle for sale to provide NMVTIS Vehicle History Reports to prospective purchasers, BJA prepared and issued an advisory (**California Assembly Bill 1215 FAQs**) and associated frequently asked questions (FAQs).

What People Are Saying

“AAMVA was eager from the beginning to help us find a solution for bringing better attention to vehicles that are not to be titled for highway use. After their team reviewed our current disposal process, they were able to create a unique reporting tool that catered to our needs. They have provided GSA with excellent and timely customer service as well as resources that will help keep the roads safer in America.”

COREY TILLEY

Personal Property Sales Division

U.S. General Services Administration

STAKEHOLDER COLLABORATION

During the reporting period, NMVTIS continued to be the subject of interest with other federal agencies that see the value NMVTIS may add to their own program areas.

General Services Administration (GSA):

At the end of the last reporting period, preliminary discussions were underway with the GSA, Property Sales Office on the possibility of using NMVTIS as a way to clearly mark a vehicle title record with information regarding federal crash, test/scrap, and salvaged vehicles that are sold to the public. As a result of those discussions, GSA entered into a Memorandum of Understanding (MOU) with AAMVA that enabled them to apply two types of vehicle “brands” to those vehicles. The GSA already marks the paper record that is provided to the purchaser; however, sometimes the markings are not always evident when the document is presented to a purchaser or for titling/registering. In an effort to supplement the paper process, GSA officials saw value in using NMVTIS to also mark the record electronically.

Because of the relatively low volume of vehicles, an administrative manual process was established whereby the GSA is noted as the “brander” (i.e., the entity that applied the brand

label to the NMVTIS title record) and the “junk” and “salvage” brand labels were applied, during this reporting period, to 194 GSA vehicle records in NMVTIS.

National Insurance Crime Bureau (NICB):

During the spring of 2012, the NICB reached out to AAMVA to discuss the opportunity of conducting analysis between NMVTIS data—in particular, junk, salvage and total loss reporting and theft occurrences. Once it was determined there was merit in pursuing this analysis on a pilot basis, a data extract application was developed to identify particular data based on geographic parameters. The results were very favorable with almost 150 vehicles—active in NCIC—being identified in NMVTIS as being crushed by several salvage companies in Massachusetts. The analysis identified one salvage company that had crushed 34 stolen motor vehicles during the previous year. A number of insurance companies had paid theft losses on several of these vehicles. With the assistance of the Massachusetts State Police Governor’s Auto Theft Strike Force and members of the Massachusetts State Police 80th Recruit Class (hands-on training), an inspection was conducted of the facility, and over 1,000 vehicles and/or records were examined. In addition, two other, non-reporting salvage facilities in the same community were inspected. The individuals and/or tow companies who brought the stolen motor vehicles to this yard have been identified and the investigation continues. Criminal charges are anticipated at the conclusion of the investigation.

This collaboration between NMVTIS and NICB yielded positive results and further opportunities are being discussed.

SYSTEM REENGINEERING

As noted in the last annual report, AAMVA’s Board of Directors approved an investment of \$3.4-\$4.0 million of AAMVA funds to reengineer the NMVTIS platform. This investment positioned NMVTIS to be more flexible and adaptable, while also reducing data center operating costs. The scope of the reengineering involved:

- Reengineered Title/Brand Central File database and all associated applications;
- Migration of JSI database to Title/Brand Central site;
- Capacity Planning;
- Security Planning and Assessment; and
- Disaster Recovery (DR) implementation for all AAMVA NMVTIS components.

To accomplish this, AAMVA used Agile methodology for the application development and took the following approach:

- Rewrite of the mainframe COBOL code to MS .NET;
- Migration of database from DB2 to MS SQL Server;
- New SOA (Service Oriented Architecture) web services;
- Use NIEM for information exchange; and
- Separate Online Transaction Processing and Online Analytical Processing servers.

By the end of the reporting period, the planning and analysis tasks were completed, development and testing of some applications were completed, and efforts focused on the development and testing of the remaining applications.

FINANCIAL REPORTS

FY2012 Funding Totaled \$6,533,882 and Expenses Totaled \$5,141,873; Increased Participation Resulted in Continuing Growth

Financial results for the period were consistent with expectations and reflect the continuing growth of the NMVTIS system through increased stakeholder participation. Total expenses of \$5,141,873 were incurred across a number of operational activities in support of ongoing system development and operations. Funding of these expenditures was the direct result of available grant funding, with additional non-federal funding sources to be used at the discretion of BJA. All financial information presented herein is derived from the **independent financial audit** conducted for the fiscal year ended September 30, 2012. Audited results reflect strong fiscal oversight of the Program through effective governance and internal controls.

NMVTIS PROGRAM FUNDING SOURCES

For the fiscal year ended September 30, 2012, NMVTIS funding was derived from a number of sources including federal grants of \$5,458,189 and non-federal funding of \$966,195 (see **Figures 16-19**).

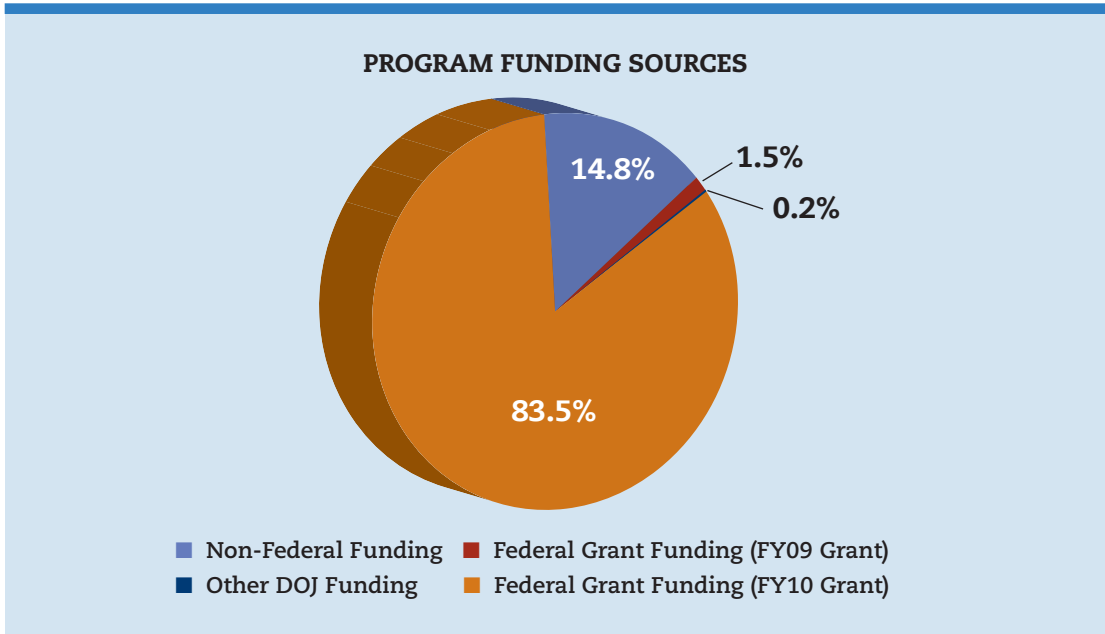
Figure 16: There were various sources of funding for NMVTIS during this reporting period.

Program Funding Sources	Amount	Percentage
Federal Grant Funding (FY2010 Grant)	\$ 5,458,189	83.5%
Federal Grant Funding (FY2009 Grant)	\$ 96,483	1.5%
Non-Federal Funding ¹³	\$ 966,195	14.8%
Other DOJ Funding ¹⁴	\$ 13,014	0.2%
TOTAL	\$6,533,882	100.0%

¹³ Includes CARS and Consumer Access

¹⁴ Federal grant funding awarded pre-FY2009

Figure 17: The following shows the percentage breakdown of the various funding sources for NMVTIS during this reporting period.



NMVTIS PROGRAM COSTS

For the purposes of presentation see (Figure 18), NMVTIS program initiatives have been segmented into “Pillars” of similar activities defined as follows:

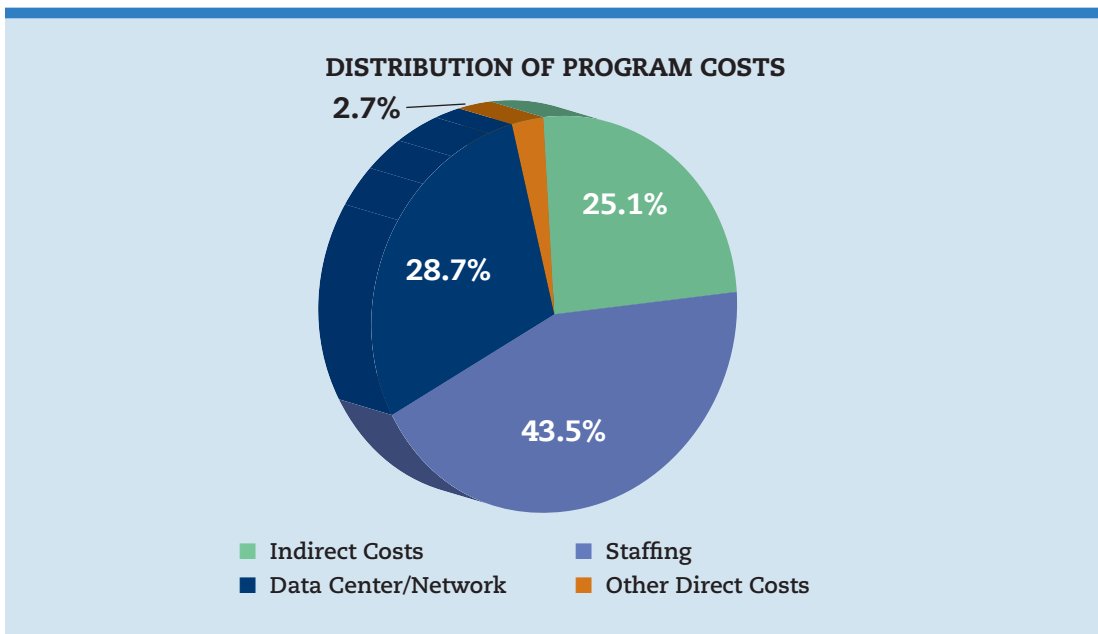
- Base Operations: support day-to-day operations of the NMVTIS platform, representing \$4,604,867, or 89.6%, of program costs;
- Base Implementation: includes the activities associated with supporting states and consumer access providers in their efforts to implement NMVTIS and represents \$498,182, or 9.7%, of program costs; and
- Enhancements: encompasses initiatives directed at adding or changing NMVTIS platform features and/or functionality, such as the development of stand-alone applications or third party access and reporting applications. Enhancements represent \$38,824, or 0.8%, of program costs.

Figure 18: Distribution of program costs segmented into pillars for this reporting period.

Use of Funding	Base Operations	Base Implementation	Enhancements	Total
Federal Grant Funding (FY2010 Grant)	\$4,604,867	\$498,182	\$38,824	\$5,141,873
	89.6%	9.7%	0.8%	100.0%

Figure 19: Distribution of program costs by category for this reporting period

Category	Amount	Percentage
Direct Labor/Fringe	\$ 877,192	17.1%
Contractor Labor	\$ 1,359,893	26.4%
Data Center/Network	\$ 1,473,367	28.7%
Other Direct Costs	\$ 139,748	2.7%
Indirect Costs	\$ 1,291,673	25.1%
Total	\$5,141,873	100.0%



SECTION 5: LOOKING AHEAD

State Fees to Contribute 50% of System Operating Costs in FY2013; AAMVA and BJA Final Operating Agreement Expected; Reengineered System Will Enhance Performance; Focus on Compliance Violations Will Occur

As we close out the fourth reporting period and look forward to next year, there are a number of remaining issues and opportunities. Ongoing financial sustainability and compliance are critical to future success of the system. AAMVA and BJA will also work towards executing an operating agreement.

NMVTIS continues to accomplish its intended purpose, as the number of states providing data or using NMVTIS within their title application processes steadily grows. Junk, salvage and total loss reporting also continues to grow.

Financial Sustainability:

With federal grant funding projected to be expended during the first quarter of the next reporting period, future fiscal sustainability of NMVTIS will continue to be a challenge. Under the approved fee model, up to 50% of the system operating costs may be covered by

state fees. Given the economic environment, as some states are not seeing tax revenues return to prior levels, it is unclear if all states will be in a position to pay their state fees. The potential shortfall in state fee payments may be an issue for AAMVA and BJA consideration.

The remaining 50% of system operating costs are to be covered by a combination of other sources of funding, including program income and/or AAMVA funds. AAMVA's investment includes \$3.4-\$4.0 million for reengineering. AAMVA's investment was made due to the association's commitment to delivering the benefits of NMVTIS to its members and their citizens. With migration to the reengineered system in the next reporting period, the savings on data center costs will be realized.

As financial sustainability is a requirement of the program and an ongoing challenge, the operator will continue to evaluate new revenue opportunities, work with current partners to drive incremental revenue from consumer access applications, and identify opportunities to reduce costs.

Compliance:

States and reporting entities' compliance with requirements to provide data and use NMVTIS (states) remains an important issue. Following significant growth in state participation during the second reporting period, development efforts for the remaining 11 states continues to be slow, but steady. The challenge for the operator and BJA will be to develop and introduce strategies that incent states to work more diligently in providing data and performing title verifications. The coming year will be the first opportunity for states to realize direct financial benefits as consumer access revenue credits toward state fees is executed. It is hoped this feature of the fee model will serve as an example to those states in development to move more quickly to participation. The operator has seen progress



State fees
to contribute
50%
of system
operating costs
in FY2013

made in some of the remaining states to move forward, and is encouraged that the coming year demonstrates continued steady progress in state participation, thereby increasing the amount of data in the system.

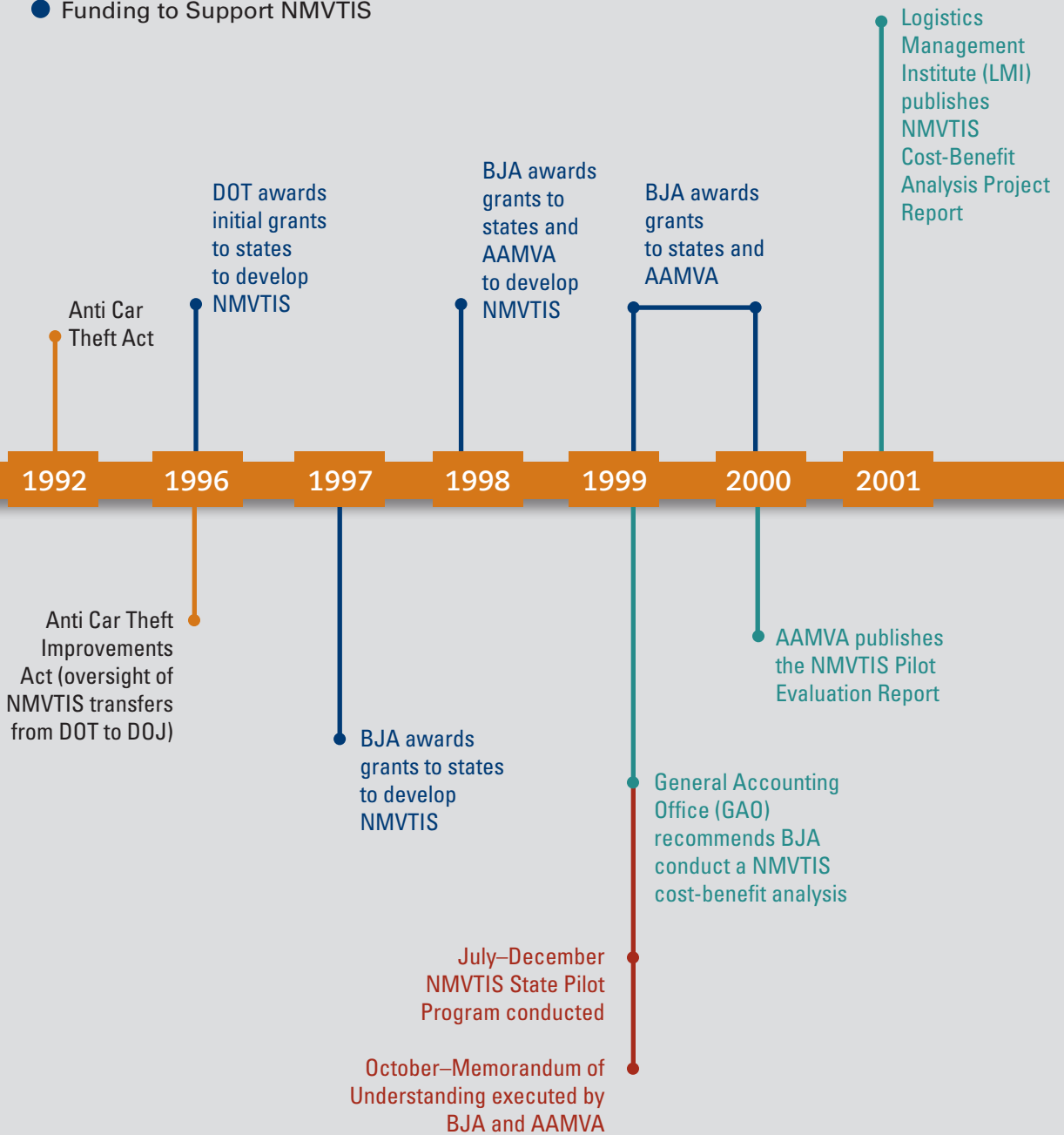
In the case of the junk, salvage and total loss reporting by those businesses that handle these vehicles, the year ahead will likely see a greater focus on enforcement. In prior years the BJA's efforts have been primarily on outreach and awareness, but will shift to enforcement in the year ahead. The coming year should bear fruit in terms of identification of violators as BJA establishes greater awareness and understanding of NMVTIS with state and local law enforcement. The use of NMVTIS by the law enforcement community as part of auto theft investigations is expected to grow in the coming year.

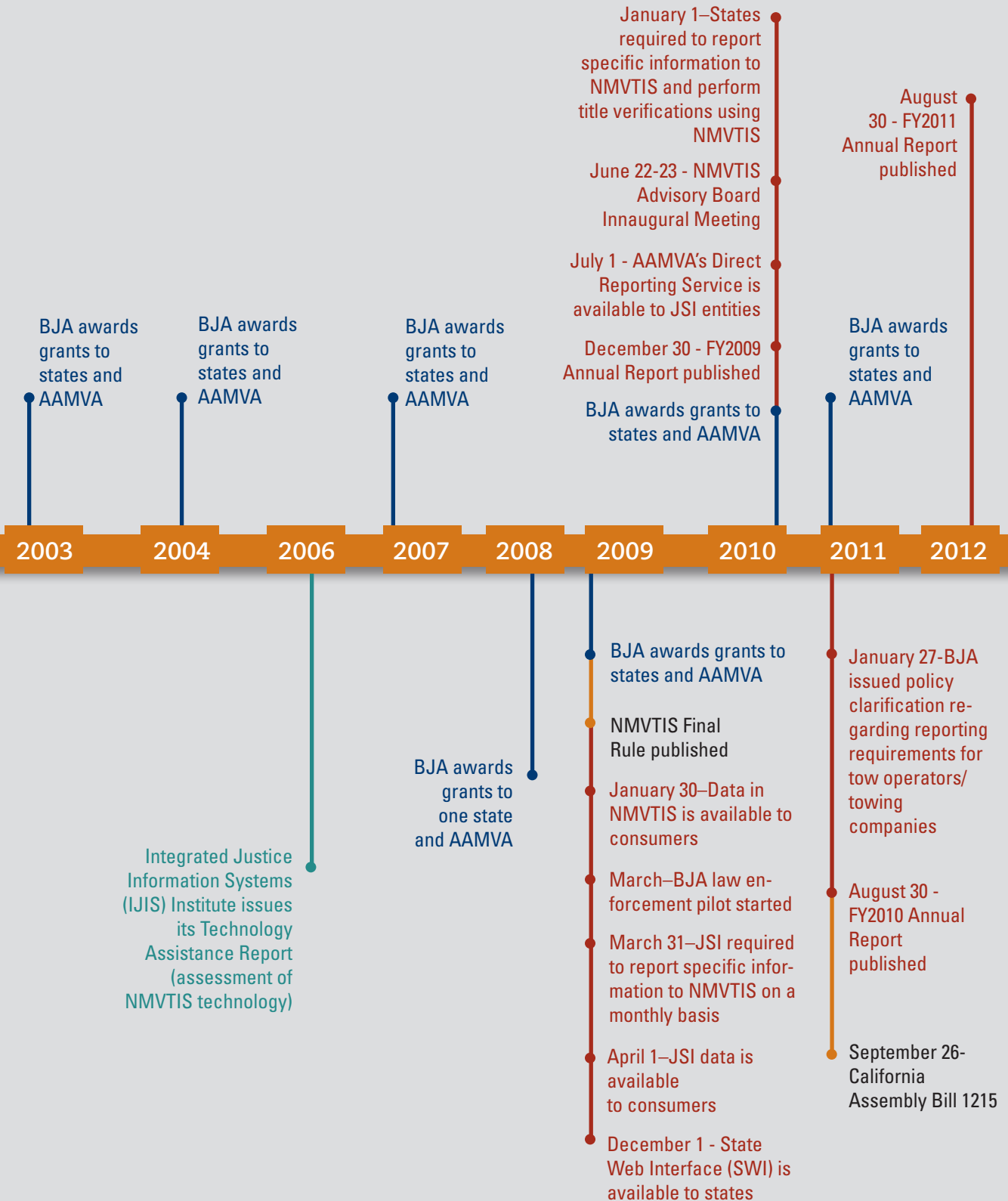
Operating Agreement:

With the federal grant period ending during the next reporting period, the need for an agreement between BJA and the system operator is essential. The agreement is intended to clearly articulate operating roles and responsibilities that are referenced in the Act and Final Rule.

SECTION 6: KEY NMVTIS MILESTONES

- NMVTIS Legislation
- Validation Reports
- Program Activity
- Funding to Support NMVTIS





SECTION 7: ACRONYMS AND ABBREVIATIONS

Acronyms

AAMVA – American Association of Motor Vehicle Administrators
ACTA – Anti Car Theft Act
ADD – Auto Data Direct
ARA – American Recyclers Association
ASPA – American Salvage Pool Association
BJA – Bureau of Justice Assistance
CARS – Consumers for Auto Reliability and Safety
CARS – Car Allowance Rebate System (formerly Consumer Assistance to Recycle and Save)
CNCDA – California New Car Dealers Association
DOJ – (U.S.) Department of Justice
DOT – (U.S.) Department of Transportation
FBI – Federal Bureau of Investigation
GAO – (U.S.) General Accounting Office
GSA – (U.S.) General Services Administration
IAATI – International Association of Auto Theft Investigators
IACP – International Association of Chiefs of Police
IJIS – Integrated Justice Information Systems
ISO – Insurance Services Office
ISRI – Institute of Scrap Recycling Industries, Inc.
JAG – Justice Assistance Grant
JSI – Junk, Salvage and Insurance
NAB – NMVTIS Advisory Board
NADA – National Automobile Dealers Association
NAEC – North American Export Committee
NCIC – National Crime Information Center
NCS – Network Control Software
NHTSA – National Highway Traffic Safety Administration
NICB – National Insurance Crime Bureau
NSA – National Sheriffs' Association
NSVRP – National Salvage Vehicle Reporting Program
NMVTIS – National Motor Vehicle Title Information System
SFTP – Secure File Transfer Protocol
SWI – State Web Interface
UNI – Unified Network Interface
VIN – Vehicle Identification Number

Abbreviations

Fed. Reg. – Federal Regulation
U.S.C. – United States Code

Exhibit 1: Specific Services Provided by the NMVTIS Operator

Specific to **state agencies**, the operator must:

- Make available at least two methods of verifying title information using NMVTIS;
- Enable states to share all information in NMVTIS obtained on a specific vehicle; and
- Provide states with the greatest amount of flexibility in such things as data standards, mapping and connection methodology.

Specific to **law enforcement**, the operator must:

- Ensure that state and local law enforcement agencies have access to all title information in or available through NMVTIS via a VIN search, including limited personal information collected by NMVTIS for law enforcement purposes; and
- Allow law enforcement agencies to make inquiries based on organizations reporting data to the system, individuals owning, supplying, purchasing or receiving such vehicles (if available), and export criteria.

Specifically to **consumer access**, the operator must:

- Ensure that a means exists for allowing insurers and purchasers to access information, including information regarding the current state of title (if the state participates in NMVTIS), brands, junk and salvage history and odometer readings (such access shall be provided to individual consumers in a single-VIN search approach and to commercial consumers in a single-, multiple-, or batch-VIN search arrangement).

Further, the operator must:

- Not release any personal information to any entity other than law enforcement;
- Develop a privacy policy to ensure appropriate privacy protections consistent with the DOJ's Privacy and Civil Liberties Policy, the Driver's Privacy Protection Act of 1994, and other relevant laws;
- Ensure that NMVTIS and associated access services meet or exceed technology industry security standards—most notably any relevant Global Justice Information Sharing Initiative (GLOBAL) standards and recommendations;
- Use the National Information Exchange Model (NIEM) or any successor information-sharing model for all new information exchanges established, and the DOJ may require the operator to use web services for all new connections to NMVTIS;
- Publish and post on www.vehiclehistory.gov an annual report describing the performance of the system during the preceding year which includes a detailed report of NMVTIS expenses and all revenues received as a result of operation;
- Procure an independent financial audit of NMVTIS expenses and revenues during the preceding year and post on www.vehiclehistory.gov;
- Conduct regular reviews of compliance by all NMVTIS reporting entities, ensure documentation is in place and confirm other requirements of reporting are being met and provided to the DOJ; and
- Maintain a publicly available, regularly updated listing of all entities reporting to NMVTIS.¹⁵

¹⁵ NMVTIS Final Rule, Federal Register, Vol. 74, No. 19

Exhibit 2: State Program – Title Verification and Reporting of Data

It is important to note while each state is required to perform a verification check on an out-of-state vehicle before issuing a certificate of title, neither the Anti Car Theft Act (ACTA) nor its implementing regulations require states to change the way they handle vehicle branding or other titling decisions. In the inquiry process, the laws of the receiving state will determine the status of the vehicle (e.g., branding or title type) and states are not required to take any action based on data accessed. The information received from NMVTIS should be used to identify inconsistencies, errors or other issues, so entities and individuals may pursue state procedures and policies for their resolution. Because NMVTIS can prevent many types of fraud in addition to simple brand washing, states are encouraged to use NMVTIS whenever possible for verification of all transactions, including in-state title transactions, dealer reassignments, lender and dealer verifications, updates, corrections and other title transactions.

Regarding reporting data into the system, states are required to report the following:

1. An automobile's VIN;
2. Any description of the automobile included on the certificate of title, including all brand information;
3. The name of the individual or entity to whom the title certificate was issued; and
4. Information from junk or salvage yard operators or insurance carriers regarding their acquisition of junk automobiles or salvage automobiles, if this information is being collected by the state.

The ACTA also requires the operator of NMVTIS make available the odometer mileage that is disclosed pursuant to 49 U.S.C. 32705 on the date the certificate of title was issued and any later mileage information, if in the state's title record for that vehicle. Accordingly, the rule requires states to provide such mileage information to NMVTIS.

States shall provide new title information and any updated title information to NMVTIS at least once every 24 hours. In addition, with the approval of the DOJ, the operator, and the state, the rule will allow the state to provide any other information that is included on a certificate of title or that is maintained by the state in relation to the certificate of title.¹⁶

TITLE VERIFICATION AND REPORTING OF DATA—TWO APPROACHES

Two approaches were developed to allow states a level of flexibility in order to meet the requirements of the NMVTIS Final Rule.

1. Integrated

The integrated approach is the optimal approach for states, as it enables the state to truly integrate the NMVTIS application into its titling application, making the title verification and reporting of data almost seamless to the user. The integrated approach is comprehen-

¹⁶ NMVTIS Final Rule, Federal Register, Vol. 74, No. 19

sive and impacts almost all of a state's titling processes. As a result, it is typically done when a state is planning to rewrite its title application. This approach tends to take more time to develop and implement, as it requires both the state and system operator's resources to fully understand the NMVTIS system requirements as well as state processes to ensure that they are mapped correctly and appropriate procedures are put into place. This approach is less costly in the long run as the automation of the NMVTIS process into the state titling system reduces the amount of manual processing required with the standalone approach (described below). In addition, the tight integration of the NMVTIS process into the state titling process provides better guarantees that the verifications are done in a consistent manner and the resulting title updates are done in a timely and accurate fashion.

Provision of Data: Some vehicle data is transmitted via a Secure File Transfer Protocol (SFTP) process to NMVTIS. States with fully integrated or online access to NMVTIS have title transaction updates sent to NMVTIS in real time, as they occur. Additionally, these states receive real-time updates through NMVTIS when a vehicle from that state is retitled in another compliant state. A state must also build the help desk tools required to support title data modifications.

Title Verification: NMVTIS was designed with input from the states. The resulting architecture and applications were designed with the intention of integrating NMVTIS into a state's titling system, making it a seamless process for titling clerks. This integrated approach includes providing access to NMVTIS central file data (VIN Pointer and Brand) that is stored by AAMVA, theft file data and current state-of-record data stored at the state as part of the inquiry.

Experience has shown that some states develop the standalone approach first, and then when there is the opportunity, they migrate to the integrated approach. Others have moved directly to the integrated approach. The decision appears to be a factor of time, funding and opportunity. The NMVTIS Final Rule does not stipulate which approach a state must take to meet the requirements.

2. Standalone

The standalone approach is generally less complex and costly to develop and implement than the integrated approach since it does not impact all titling applications. However, it still requires that the state and system operator's resources fully understand the NMVTIS requirements and state processes to ensure that they are correctly mapped and appropriate procedures are put into place. This approach is geared toward states with limited IT resources and provides the ability for a state to implement NMVTIS in a relatively short timeframe. Due to the disconnect between the online standalone solution and the state titling system, this approach is, however, potentially more prone to data entry errors and will also increase the time at the counter to process manual inquiries. The increase in titling processing time will translate into increased operating costs for the states.

Provision of Data: Vehicle data is typically transmitted via a SFTP process to NMVTIS. States without integrated access to NMVTIS can provide data in this standalone batch up-

load manner. Data updates to the system are made independent of the state's titling process and are required on a daily basis.

Title Verification: AAMVA provides two solutions for the standalone verification: the standalone web-based inquiry and the batch inquiry. The web-based, secure portal design allows states to make verifications using the Internet. In order for states to initially get the most out of this approach, the Batch Inquiry became available. This allows a state to submit a batch of VINs to NMVTIS. The State Web Single VIN Inquiry approach allows a state to conduct a single inquiry into NMVTIS.

The response to a state under both of these standalone approaches includes data from NMVTIS central files, the theft file and the current state of record.

Experience has shown that some states develop the standalone approach first, and then when there is the opportunity, they migrate to the integrated approach. Others have moved directly to the integrated approach. The decision appears to be a factor of time and funding. The NMVTIS Final Rule does not stipulate which approach a state must take to meet the requirements.

Anti Car Theft Act

2000 NMVTIS Pilot Evaluation Report

2001 LMI Cost-Benefit Analysis Report

2006 IJIS Institute Technology Assistance Report

2009 NMVTIS Final Rule

2009 NMVTIS Annual Report

2010 NMVTIS Annual Report

2010 NMVTIS Program Overview

2011 NMVTIS Annual Report

California Assembly Bill (AB) 1215

California Assembly Bill (AB) 1215 - Occupational Licensing Industry News

Consumer Access Product Disclaimer

Don't Be Fooled Brochure

Help Prevent Crime Brochure

Independent NMVTIS Auditor's Report for the Period October 1, 2011–September 30, 2012

NMVTIS Advisory Board (NAB) Meeting Minutes (November 2011)

NMVTIS Advisory Board (NAB) Meeting Minutes (March 2012)

2012 Press Release: Private Sector Joins Justice Department in Protecting Consumers from Vehicle Fraud and Unsafe Vehicles

NMVTIS Advisory Board (NAB) Meeting Minutes (September 2012)

NMVTIS Final Penalty Decision Considerations

VIN Cloning Article by FBI (2007)

VIN Cloning Article by FBI (2009)

DOJ NMVTIS Website

AAMVA NMVTIS Website

