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## Q: What is E-Title?

A: Arizona is transitioning to a fully electronic titling process for the transfer of ownership of vehicles within the state. Once fully implemented, no paper titles will be used for titling transactions within Arizona—ownership will be documented in MVD's systems.

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## Q: When will E-Title be implemented?

A: This transition will be accomplished primarily in two phases, with Phase I being available for use starting on June 18, 2017, and Phase II scheduled for implementation in early-2018.

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## Q: What changes are occurring in E-Title Phase I?

A: Phase I involves the implementation of the electronic Dealer Reassignment Transfer (DRT) process which applies to the following transactions:

- A customer selling or trading in a vehicle to a dealer (customer-to-dealer) – when the dealer pays off the existing lien, the vehicle title will be assigned to the dealer electronically, no longer requiring a title to be printed and mailed in the name of the person trading in the vehicle.
- Dealer-to-dealer reassignments – will allow electronic reassignments between dealers with no limit on the number of times a vehicle may be reassigned.

Motor vehicle dealers will be able to record customer-to-dealer and dealer-to-dealer vehicle reassignments electronically which creates a DRT record on MVD's title and registration database to accurately reflect the owner of record for the vehicle.

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## Q: What is a DRT?

A: A Dealer Reassignment Transfer is an electronic version of the Dealer Reassignments that is on the back side of a paper title. A DRT is completed by the dealer accepting a trade-in from a customer, or by the selling dealer in a dealer-to-dealer reassignment. DRTs are facilitated using a new web application accessible to all licensed motor vehicle dealers and immediately reflects the owner of record in MVD's systems. Unlike the back of a paper title, there is no limit to the number of reassignments using the DRT process.

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## Q: How does this process impact vehicles with a lien?

A: The lien clearance requirements are not changing.

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## Q: Are there fees associated to a Dealer Reassignment Transfer?

A: Just like in the paper reassignment today, there are no fees. For vehicle dealers converting a DRT to a title, applicable title fees apply.

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## Q: What if a dealer is asking to apply a brand to a DRT record?

A: The dealer would have to apply for a title and replace/remove the brand during that transaction. Applicable title fees apply.

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## Q: How will I know if a vehicle is an Electronic Dealer Reassignment Transfer (DRT)?

A: The DRT record is identified by the following:

- The first three characters of the title number are DRT
- The customer number will begin with an “L”
- The Title Print Code is DRT

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## Q: Are there new forms related E-Title Phase I?

A: To capture the required signatures for federal odometer disclosures and to convey ownership, there are two new forms for E-Title Phase I:

- **Arizona Dealer Retail Bill of Sale (38-1305)** – when a vehicle dealer sells a used vehicle to a customer.
- **Dealer Reassignment Transfer (DRT) (38-1304)** – when a vehicle is traded in by a customer or reassigned from dealer to dealer this form takes the place of dealer reassignments on the back of the paper title. This form will only be available on the ADOT MVD Dealer Reassignment Transfer application.

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## Q: How will E-Title Phase I impact the work done by an MVD office or third party?

A: It won't change much of what you do, but the concept of a “title for a title” is shifting. In transactions that involve a dealer selling a vehicle to a customer, in many cases there will be no paper title. The vehicle record will reflect the title as a DRT. The dealer will provide the customer an *Arizona Dealer Retail Bill of Sale* and that document will allow the vehicle to be transferred to the customer.

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## Q: What should I do if the vehicle is being titled outside of Arizona?

A: If the title is being transferred to a customer who is titling the vehicle out of state, the dealer would apply for a title only (applicable fees apply) to assign the title to the buyer.

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## Q: Can I process a title in the dealer's name using the “L” customer number?

A: No. If a dealer requests a printed Arizona paper certificate of title in their name, the transaction would need to be processed using Tran MVRAT and the customer number would need to be changed to the dealer's corresponding "E" customer number; a \$4 title fee is required.

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**Q: Are Dealers required to process their dealer reassignments through the ADOT MVD Dealer Reassignment Transfer application?**

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A: Starting June 18, 2017, the electronic DRT process is available for dealers to use. They may use either the existing paper reassignment process or use the ADOT MVD Dealer Reassignment Transfer application.

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**Q: Does the DRT process apply to Mobile Homes?**

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A: Mobile Homes are not a part of this process.

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**Q: What about Vehicle records with SC15 (ARO) and SC17 (SPI)?**

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A: Since the registration record already exists in our systems, these are eligible to participate in the DRT process (subject to existing documentation requirements).

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**Q: Is the DRT process applicable for a vehicle being traded in that is NOT currently titled or registered in Arizona?**

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A: No. For E-Title Phase I, the vehicle must exist in MVD's database for a DRT to be processed.

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**Q: Will prohibitive customer and vehicle characteristics/status codes prevent a DRT?**

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A: Yes, any transaction that prohibits a title transaction will also prohibit a DRT.

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**Q: What documentation is required for the DRT process?**

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A: Documentation requirements depend on the scenario. See the *DRT Documentation Requirements Quick Reference* for a breakdown of required documents for each situation. The document retention requirements remain the same as they are today.

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**Q: Is a dealer allowed to have a title printed in Phase I?**

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A: Yes. Using the DRT application is optional for now and they can continue using the paper process. If a

dealer has a vehicle that is currently an electronic DRT record and they want to have a title printed they would apply for a title only in their dealer's name using the dealer's organization customer record ("E" Customer Number). CSR will use MVRAT to print the title. Applicable title fees apply.

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**Q: Can a MVD office or third party still do title work for a dealer?**

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A: Yes. Phase I only involves electronic DRTs. Title work would still be necessary for:

- Dealer to Customer – when a vehicle dealer sells a used car to a customer.
- Out of State Title Transactions – vehicles new to Arizona
- Title Only transactions when needed by a dealer

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**Q: Can I process a DRT?**

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A: Only licensed motor vehicle dealer users and the users they set up may process a DRT. Third Party processors may be set up as a user by a dealer and may process DRTs, but MVD CSRs cannot.

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**Q: Can I modify anything on a DRT record?**

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A: No. If a correction is needed, you must open a ticket with the Service Desk.

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**Q: What policies are impacted?**

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A: Several policies will be modified because of the Phase I E-Title implementation:

- 10.2.5 Odometer Requirements
- 10.3.2 Lien Clearance Requirements
- 10.5.1 Duplicate Title
- 10.5.2 Title Transfer
- 10.5.3 Title and/or Registration Transactions Variations Specific to Dealer Transactions
- 17.2.2 Dealer Regulations and Requirements

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**Q: Will the DRT replace the requirement for a wholesale dealer to obtain a title in the wholesale dealer's name?**

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A: The wholesale dealer must still transfer the vehicle into the wholesale dealer's name. The wholesale dealer can accomplish this by using the DRT process or by the current paper title process.

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**Q: Can a CSR MVTAP a DRT record to print a title?**

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A: No. The DRT is a reassignment; the record is not eligible to print a title. If the dealer needs a printed title, they will need to apply for a title in the dealer's name using their organizational customer number ("E" number). A title cannot be printed using the dealer's "L" customer/license number.

**Q: Can the dealer submit *any* bill of sale form to transfer ownership to a customer from a DRT record?**

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A: No. Only the Arizona Dealer Retail Bill of Sale, form # 38-1305 may be accepted.

**Q: What if the *Dealer Retail Bill of Sale* is altered in any way.**

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A: Follow the same steps as you would on a title to request an unaltered form. No corrections or alterations should be made on the bill of sale form.

**Q: What happens if the dealer is selling to an out of state resident?**

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A: If the vehicle will be titled out of state, the dealer must obtain a title only in the dealer's name (title fees apply) to assign to the buyer.

**Q: What if the dealer sells a vehicle out of state but needs to perfect a lien and or Lessor?**

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A: The AZ dealer will request a title in the buyer's name same as they do today. Applicable title fees would apply.

**Q: When the dealer makes an error in entering the DRT how will corrections be handled?**

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A: If a DRT was completed and recorded in MVD's systems with an error (wrong odometer, wrong dealer) the dealer will need to contact the MVDLU to do the correction. DLU will submit a Service Ticket to have the record rolled back, and the dealer will need to process the DRT again, correctly.

**Q: Will the new Arizona Dealer Retail Bill of Sale (38-1305) and Dealer Reassignment Transfer (38-1304) forms replace a secure odometer statement?**

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A: The odometer disclosure is incorporated in the Arizona Dealer Retail Bill of Sale. The secure odometer statement will not be needed when the odometer is completed on the Arizona Dealer Retail Bill of Sale form.

**Q: What happens if a sale falls through and trade-in needs to go back to the customer?**

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A: The dealer will need to transfer ownership of the vehicle back to the customer the same way they would do today.

**Q: What if a dealer asks me questions about the DRT process?**

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A: Direct them to the user guide available on the ADOT MVD Dealer Reassignment web application. If they need additional assistance they can contact the MVD Dealer Licensing Unit:

- Email: [MVDLU@azdot.gov](mailto:MVDLU@azdot.gov)
- Phone: 602.712.7571