



**BJA**  
Bureau of Justice Assistance  
U.S. Department of Justice



## Meeting Summary

### **National Motor Vehicle Title Information System (NMVTIS) ADVISORY BOARD MEETING Bureau of Justice Assistance Office of Justice Programs**

Crystal City, VA  
November 2, 2011

The NMVTIS Advisory Board convened its fifth meeting on November 2, 2011, at the Radisson Reagan National Hotel, Crystal City, VA. The following individuals were in attendance:

**Acting Chair**

Christopher McDonold  
*Baltimore County Police Department*

Judith Fitzgerald  
*National Insurance Crime Bureau  
(NICB)*

**Designated Federal Official (DFO)**

Alissa Huntoon  
*Bureau of Justice Assistance (BJA)*

Carl Ford  
*Florida Department of Highway  
Safety & Motor Vehicles*

**Advisory Board Members**

William Brauch  
*Iowa Attorney General Office*

John Giknis  
*Insurance Services Office, Inc. (ISO)*

Bernard Brown  
*The Brown Law Firm*

Karen Grim  
*Virginia, Department of Motor  
Vehicles*

Walt Dartland  
*Consumer Federation of the  
Southeast*

Van Guillotte  
*Oklahoma Department of Public  
Safety (retired)*

Jim Irish  
*INSTAVIN*

Lynne Judd  
*Wisconsin Division of Motor Vehicles*

George March  
*Regional Information Sharing  
Systems (RISS)*

James Moors  
*National Automobile Dealers  
Association (NADA)*

Howard Nusbaum  
*National Salvage Vehicle Reporting  
Program (NSVRP)*

James Owens  
*CARCO Group, Inc.*

Neil Schuster  
*American Association of Motor  
Vehicle Administrators (AAMVA)*

James Spiller  
*National Vehicle Service, NFPC  
(NVS)*

Jim Taylor  
*Auto Data Direct, Inc. (ADD)*

John Van Alst  
*National Consumer Law Center  
(NCLC)*

Robin Wiener  
*Institute of Scrap Recycling  
Industries, Inc. (ISRI)*

Michael Wilson  
*Automotive Recyclers Association  
(ARA)*

**Guest Observers**

Levon Baghdassarian

*NOBEL Systems, Inc.*

Bob Cox  
*ADD*

Lorraine Friel  
*NOBEL Systems, Inc.*

Peter Foley  
*American Insurance Association  
(AIA)*

Brian Hildreth (Presenter)  
*Insurance Auto Auctions (IAA)*

John Hill  
*Consultant, The Hill Group, Inc*

Ted Hotham  
*Experian Information Solutions*

Andrew Lacey (Presenter)  
*Lacey Auto Parts*

Steve Levetan  
*Pull-A-Part, LLC*

Bob Passmore  
*Property Casualty Insurers  
Association of America (PCIA)*

Berta Phelps  
*Manheim Auto Auctions*

Patricia Rimo  
*Consultant/Writer*

Ivette Rivera  
*NADA*

Jay Robinovitz (Presenter)  
*Alter Trading Company*

Kathryn Trimmer  
*Motor Vehicle Software Corporation  
(MVSC)*

James Vogel  
*Equipment Data Associates (EDA)*

Mark Warner  
*Legal Staff/Global Security - Ally  
Bank*

Danielle F. Waterfield, Esq.  
*ISRI*

**Bureau of Justice Assistance  
(BJA)**

Kim Bright  
Todd Brighton  
Patrick McCreary

**American Association of Motor  
Vehicle Administrators (AAMVA)**  
Patrice Aasmo  
Vivienne Cameron

Ian Grossman  
Philip Guiot  
Mekala Joy  
Marney Michalowski

## **Welcome Remarks and Introductions**

*Note: All presentations made at this meeting are available upon request. Please contact Alissa Huntoon, outgoing DFO, or Todd Brighton, incoming DFO.*

Christopher McDonold announced that he would be chairing the meeting, as Greg Terp was unable to be present. He called the meeting to order at 8:30 a.m.

Patrick McCreary, Associate Deputy Director, BJA Policy Office, extended greetings from the new BJA Director Denise O'Donnell. Jim Burch is now the Deputy Assistant Attorney General within the Office of Justice Programs. Mr. McCreary commented on the progress the Board has made and announced that Todd Brighton would be assuming the role designated federal officer (DFO), as Alissa Huntoon's portfolio was changing.

Ms. Huntoon reviewed the agenda and Vivienne Cameron made administrative announcements. The Board then approved the July 2011 meeting summary.

## **Status Updates**

### **DOJ Update**

Ms. Huntoon reviewed the eight recommendations the Board presented to BJA at the last meeting, adding that BJA is considering them all and has begun working on several of them.

Mr. Brighton updated the Board on continuing enforcement outreach efforts, noting that BJA completed another mailing in October and has been leveraging the opportunity to spread the word about NMVTIS at recent regional and national conferences. He asked the Board for additional outreach suggestions.

Concerning enforcement, he noted that the CARS program had been a success, adding that BJA's counterparts in the Department of Transportation were greatly aided by NMVTIS in their Cash for Clunkers enforcement efforts. He also outlined the enforcement referral process from the time a referral is made through the penalty phase, noting that the final phase is pursuing the matter in federal court – an action BJA has not yet had to take. Enforcement efforts have been greatly aided by the new office-based monitoring process facilitated by AAMVA, which allows BJA to review auction reporters and others who might not be reporting downstream and send them with a warning letter with follow-up. Mr. Brighton noted that a couple hundred thousand vehicles have been entered into the system due to all the referral/enforcement efforts.

### Questions/Discussion

Howard Nusbaum praised the enforcement effort and asked whether those who submit referrals receive any feedback. Mr. Brighton said each referral submitted to the NMVTIS mailbox receives an email confirming receipt, including his point-of-contact information.

Jim Taylor asked if there were a difference between the information law enforcement sees in NMVTIS and the information a consumer sees, adding that law enforcement ought to see the same information as consumers without having to pay the fee. Ms. Huntoon noted that law enforcement sees more information in NMVTIS than do consumers. However, the information the two groups see is different. Mr. Brighton asked Mr. Taylor to provide him the information a consumer sees so he could compare it to what law enforcement sees, stating he would work with Mr. Taylor on this issue. George March added his concern about this matter and requested to be part of any group looking into it.

## **NMVTIS System Operator Update**

### Strategic Update

Patrice Aasmo reviewed AAMVA's major cost-saving effort: taking the system from a Common Business Oriented Language (COBOL) to a Microsoft.net platform, a process that should be complete by December 2012. She noted that the California bill, AB 1215, would drive new interest and opportunities in consumer access.

AAMVA approved a new business-oriented strategic plan and is recruiting a vice president for business solutions for whom NMVTIS will be a top priority, she reported. The Association also is scoping out a proof of concept for e-titling.

Furthermore, as grant funding will end in 2012, AAMVA's Board approved a state fee model that will begin October 1, 2013. They sent the plan to DOJ where it was modified and approved. The following are highlights of the state fee model:

- State fees will cover a maximum of 50% of NMVTIS operating costs
- Individual state fees will be determined by an equitable 51-tier structure, calculated by each state's number of registered vehicles as a percentage of the total U.S. vehicle population
- States may be eligible to receive a 50% credit of each consumer access transaction resulting in data returned for a VIN pointing to that state as the current state of title
- The remaining 50% of operating costs will be covered by a combination of other funding sources (e.g., program income, and/or AAMVA funds)

### Operational Update

Ms. Cameron presented operating highlights since the last Board meeting, including the following:

- 31 States are participating in NMVTIS, with 8 providing data only
- The total number of brand and JSI records is trending slightly upward
- Entity registration feed from JSI data consolidators is being automated
- Enhancements were implemented to the reporting portal in support of BJA enforcement efforts, including the office-based enforcement effort
- An application to provide destroyed vehicle data to NY State DMV has been implemented
- 99.9% system availability has been maintained

### Financial Update

Ms. Aasmo substituted for Marc Saitta, AAMVA Chief Financial Officer, who was unable to attend, and presented a detailed report on how NMVTIS grant funding is being allocated. AAMVA has expended \$3.9 million of the current FY 2010 grant. Of that, 84% of expenditures were in base system operations, of which staffing and data center support comprises 71%. Ms. Aasmo mentioned an initiative to convert some contractors to employees where possible.

### Questions/Discussion

Ms. Huntoon encouraged Board members to ask questions and provide feedback. John Van Alst asked about the new state fee model and whether all states were on board with it. Ms. Aasmo said the fee model has been approved and that notification was sent to states on September 30, 2011. Karen Grim said Virginia is pleased with the model. Carl Ford said Florida is very concerned about fairness, as some states might choose not to pay. Mr. McDonold asked about an enforcement mechanism, and Ms. Aasmo replied that AAMVA had considered it, but currently there are no sanctions for non-payment. AAMVA Board Chair Mike Robertson said they had discussed the carrot and stick approach but that currently they have no stick.

Mr. Van Alst suggested an expiration of the credit a state would receive as a possible stick.

Mr. Nusbaum engaged in a discussion with Neil Schuster over the anticipated revenue and cost of the system once it is re-engineered. Mr. Schuster stated that the re-engineering was principally to reduce operating costs, provide more functionality, and allow enhancements more easily. If individuals would include a NMVTIS check as part of their routine process of buying a car, that would be an

excellent result, Mr. Schuster said. He also called AB 1215 a “game changer” in terms of increasing consumer access. Mr. Robertson agreed, adding that success in California could create momentum for the rest of the nation.

In response to a question by Mr. Nusbaum, Ms. Aasmo clarified that transaction fees are based on the provider and the number of transactions the provider is generating within the system. She noted that AB 1215 was a win-win for California and also will offer AAMVA strategic partnering opportunities on the benefits of NMVTIS.

Mr. Taylor requested that AAMVA attempt to quantify the potential effects of AB 1215 and its implications for the state fee model by the next meeting. Ms. Aasmo explained that it has been challenge to obtain the right figures to baseline and model to determine AB 1215’s impact. She committed to providing any estimates as soon as they were available.

Michael Wilson proposed that the monies accrued from NMVTIS enforcement actions be redirected into the program rather than into the U.S. Treasury, where legislation currently directs them.

Mr. McDonold commented that the dialogue had been excellent and was the kind of discussion the Board was intended to have.

## **BREAK**

### **Education/Awareness Panel**

Robin Wiener introduced a panel she had assembled, explaining that its purpose is to help the Board better understand the JSI sector.

#### **Presentation: Brian Hildreth, Director, Corporate Development, Insurance Auto Auctions (IAA)**

IAA represents the start of the recycling process: the first line after an insurance company or other entity has declared a vehicle a total loss. The company’s purpose is to manage the salvage asset and recovery of that asset for the insurance industry, its primary customer. Auction sellers include insurance carriers, fleets, dealers, charities and others. Buyers include rebuilders, recyclers (of parts and scrap), exporters, dealers and others.

IAA reports about two million transactions to NMVTIS, at a cost of over six figures annually. Mr. Hildreth raised a point that elicited much discussion, observing that DMVs are using NMVTIS data to supersede their own titling laws.

### Questions/Discussion

Mr. Ford requested an explanation of DMVs' use of NMVTIS to supersede their own laws, and Mr. Hildreth said issues often develop when a vehicle is a recovered theft with little or no damage and carries a clear title. Many insurance companies, fearful of under-reporting, report all thefts into NMVTIS, and thus the DMV can apply a brand on the title. Ms. Cameron explained that as long as a vehicle is reported into NMVTIS, it is categorized as a junk, salvage, or total loss. AAMVA does not dictate what action a state should take, but she corroborated the observation that many states do apply a brand. Mr. Ford explained that Florida does apply a brand and that he believes it is considered a best practice among DMVs, and Ms. Judd agreed. Mr. Hildreth suggested revisiting the junk/salvage label and adding more description to the loss type. He also urged the Board to have some representation from the insurance industry.

Mr. Owens said the problem sounds like one of categorization rather than reporting. He observed that the problem is that the definitions do not distinguish appropriately, and Ms. Wiener said these are some of the issues her taskforce is discussing. Mr. Owens suggested filtering the JSI information and providing a way to distinguish between real salvage and other vehicles. However, William Brauch said NMVTIS was designed to increase reporting, adding that the problem is not over-reporting but under-reporting. The seller should have disclosed to the consumer that the vehicle would have a branded title, he said.

### **Presentation: Steve Levetan, Senior Vice President, Pull-A-Part**

Pull-A-Part represents the do-it-yourself side of the salvage industry and does not identify with the "junk" part of the JSI term. Rather than obtaining their vehicles from insurance companies or salvage auctions, Pull-A-Part purchases one vehicle at a time from individuals, charities and others. All contaminants are removed and recycled, and the vehicles are placed on stands for customers to remove the parts they wish to buy. At the end of the purchasing process (in about 60-90 days) the vehicles are crushed and sent to a shredder.

Pull-A-Part reports a vehicle one time into NMVTIS – when it arrives – as when it leaves it is no longer a vehicle. They do a batch upload into NMVTIS daily from each location (23 in 10 states). Mr. Levetan said they assume the VIN is killed when the vehicle is reported. He emphasized the importance of the subcommittee's task to define what is and what is not, a motor vehicle.

Mr. March asked Mr. Levetan if the company ever removes a VIN from a vehicle, and the latter replied absolutely not, as that would violate federal law. Mr. March then wondered if customers ever removed VINs, and Mr. Levetan said that they do in rare instances. However, he added that his company's internal controls would identify the missing VIN prior to crushing and that the VIN would be flagged. Mr. McDonold agreed on both counts.

## **Presentation: Andrew Lacy, Co-Owner, Lacy Auto Parts**

Lacy Auto Parts is a full-service, modern auto recycling plant that purchases 90% of its inventory from salvage pools – rarely from the general public. All profitable parts are removed from the vehicle and stored in a warehouse equipped with a modern order fulfillment system and trained salesmen. When a vehicle has no usable parts remaining, its hull – the steel cage of what is left of the vehicle – is crushed and transferred to a shredder.

Lacy reports to NMVTIS twice: 1) when they purchase a vehicle and 2) when it is crushed. About 12,500 recyclers operate in the U.S., with about 50% being full-service.

Ms. Judd asked if the hull includes the frame, and Mr. Lacy said that an undamaged frame could be considered a part and that it depends on the vehicle.

## **Presentation: Jay Robinovitz, Senior Vice President & Chief Operating Officer, Alter Trading Company**

Alter Trading Co. is a scrap recycling company that manufactures commodity grade materials from what they receive, producing feedstock for the steel and furnace industries. Mr. Robinovitz noted that such companies are at the bottom of the funnel, representing the last opportunity to see VINs and vehicles. He emphasized Alter's and the industry's desire to be a good partner in the NMVTIS process. He also distinguished between a "hull," which is what remains when a company like Lacy Auto Parts crushes the vehicle, and a "hulk," which comes in one at a time by haulers. There are about 300 shredders in the U.S.

While Alter wants to be a good partner, Mr. Robinovitz said that the rules are not clear for NMVTIS reporting and that local enforcement actions vary from state to state and even within a state. He believes the industry is late to the game but wants very much to catch up. "It's imperative to understand exactly what you expect so we can follow a consistent methodology throughout the country," he noted. He, too, emphasized the importance of arriving at definitions – particularly of what is a vehicle and what is not.

### Questions/Discussion

Mr. Nusbaum captured the scrap recyclers' dilemma by contrasting the public policy benefit of notifying the system that a vehicle is out of service with the scrap recycler's belief that what they possess is not actually a vehicle any longer. Mr. Alter noted that a VIN out of circulation could prevent the VIN from being used with impunity to cover a criminal action such as cloning.

Mr. Alter stated that scrap recyclers have an obligation to make sure the tow operator is reporting the vehicle because of the clear value of having the VIN

retired. They want to do the right thing but they do not always know if a hull they have purchased has been reported correctly. The other issue is whether a small, community-based hulk hauler who has a title to a vehicle – but not in his name – should be required to report to NMVTIS. Mr. Alter observed that if the process becomes too difficult, VINS would simply disappear, which would be bad for all. Again, he requested clarification of the rules for NMVTIS reporting. BJA would note that there are no provisions in the NMVTIS regulations that require an entity to verify the reporting status of the entity that provided it with the whole junk or salvage automobile.

Mr. Levetan stated that whoever changes the character from a vehicle to “not a vehicle” should be responsible for the NMVTIS reporting. Both he and Ms. Weiner extended invitations for Board members to visit any of the facilities to better understand the processes.

Ms. Huntoon commented that the working group was doing excellent work and noted the importance of clarifying the terminology. However, she noted that the intent is not to change the regulation but rather to provide clarification in a complex area.

## **LUNCH BREAK**

Chairman McDonold reconvened the meeting at 12:45 p.m. He expressed his appreciation to all the subcommittee members and called on the chairs to report their findings.

### **Subcommittee Report: Definitions and Terminology Ad Hoc**

Ms. Wiener distributed a series of charts on such topics as the life cycle of a vehicle and various terms needing clarification. She requested feedback. The group hopes to have some specific recommendations on definitions by the next Board meeting.

### **Subcommittee Report: Revenue Options**

Mr. Van Alst, subcommittee chair, discussed a Revenue Subcommittee recommendation from the last meeting involving protecting the NMVTIS name. He reported that Mr. Taylor had commissioned an analysis on the possibility of bringing an action against the NMVTIS.org site under the Uniform Domain Name procedure. He then made two recommendations, as follows:

1. That DOJ begin an effort to end the use of “NMVTIS” by non-related entities, specifically the current NMVTIS.org site by whatever means it deems appropriate.

2. That DOJ investigate trademark protections or other protections for the NMVTIS brand.

Mr. Van Alst also reviewed items the subcommittee had discussed, as follows:

- 1) In line with brand protection, they would like a review of the application process to become a provider (which they will ask Mr. Saitta to provide) and a process to keep track of what information is passed along to consumers by providers. They understand that resellers who get information from the providers are bound by the same terms as the providers. They would also like to consider the ideal number of providers from a market perspective.
- 2) They discussed whether insurance commissioners conducting market conduct exams would benefit from NMVTIS data. They need more discussion on this before making a recommendation.
- 3) They had a far-reaching discussion on the current website and the fact that it addresses many different audiences, perhaps creating confusion for the consumers. They would like to see a small working group focus on the website and develop specific recommendations for the Board and BJA.

#### Questions/Discussion

Mr. McDonold observed that website redesign would entail enlisting a professional with that type of expertise, and Mr. Van Alst agreed.

Ms. Huntoon asked Mr. Van Alst if the subcommittee has a list of priorities and if they believe they have enough guidance. Mr. Van Alst said they had decided at their first meeting to focus on changes that do not require regulatory changes. Mr. Spiller said the subcommittee could focus on the product or the marketing of it, and that they had decided to focus on the marketing.

Mr. Dartland inquired about the two different names for the website, and Ms. Huntoon communicated that, due to an Executive Order to consolidate government websites, the “NMVTIS.gov” name would go away in January and be replaced by “vehiclehistory.gov.” Currently both names are in use with the consumer directed to the same site.

Mr. Wilson asked if his suggestion of having the monies accrued from enforcement actions redirected into the NMVTIS program could be an idea for revenue generation, and Ms. Huntoon said it could be a potential recommendation. Mr. Wilson said the Automotive Recyclers Association has floated that idea on Capitol Hill and asked if anyone would like to join that effort.

Mr. Dartland proposed participating in the National Association of Insurance Commissioners (NAIC) process, particularly the fraud and consumer committees.

Ms. Fitzgerald shared with the Board the Subcommittee's decision to de-emphasize the insurance industry as a source of revenue and focus instead on making the industry a customer for NMVTIS, which would mean making NMVTIS solidly reliable.

Mr. Owens said some consumers, particularly businesses, might respond to NMVTIS more favorably if the Board could demonstrate the advantage of the system statistically, demonstrating a business case for purchasing the data. The coverage gaps have made it difficult to make that business case, he observed.

Mr. McDonold emphasized the importance of coming up with concrete recommendations for BJA.

### **Subcommittee Report – Technological Capabilities**

Subcommittee Chair George March said he had met with Steve Correll, National Law Enforcement Telecommunications Center (NLETS), who communicated his regrets that he has not been able to attend the Board meetings. Mr. March reiterated the four recommendations from the last meeting:

1. That AAMVA proceed with the NMVTIS technology re-engineering approach that was presented to the subcommittee.
2. That there be established an IT functionality change control process to include all appropriate, affected stakeholders. The reasoning is that if a new functionality is needed, someone besides a technical expert should make that decision.
3. That AAMVA and its member states are commended for the fiscal commitment and the staff effort in support of the reengineering effort.
4. That AAMVA provide the subcommittee with copies of all its re-engineering status update reports to DOJ (only the IT-related parts) on a periodic basis. DOJ would be requested to share those sections of the reports with NAB members.

He then added two additional recommendations:

5. That a working group from the Subcommittee be engaged to assist AAMVA staff in making projections of future total transaction volume for the purpose of capacity planning.
6. That the Technological Capabilities Subcommittee remains in existence throughout the period of the system re-engineering effort.

### Questions/Discussion

There was considerable discussion around the fifth recommendation, with Ms. Judd asking if there were any indication that system capacity is inadequate. Mr. March said there was not. Mr. Owens said while there is much knowledge of existing state usage, it is unclear what the future will hold, noting that California's usage has been modeled to be anywhere from one million to five million. Mr. Nusbaum clarified that the Subcommittee is trying to ensure there are no problems down the road, and Mr. March said the group would serve as a contact point for AAMVA on this issue. Mr. Irish noted that an X factor is the possibility of dealers rallying around NMVTIS the way they did with the California bill – a situation that could result in many more NMVTIS reports being run.

AAMVA representatives agreed it would be valuable to know the projected timeframes on growth, enabling them to make appropriate projections well into the future. Finally, Mr. March reiterated that the recommendation was intended strictly to continue to collaborate with and assist AAMVA on trying to anticipate future needs.

## **BREAK**

Chairman McDonald asked each Board member to consider the question: *“By the next meeting, I want to have X information.”*

## **Subcommittee Wrap-up**

Chairman McDonald and Ms. Huntoon asked for the Board's agreement on Recommendations 5 & 6 from the Technological Subcommittee, and the Board agreed to those. Ms. Huntoon asked for the approved recommendations to be typed up and submitted to BJA. She reiterated that there had been action on many of the recommendations submitted by subcommittees at the last meeting.

## **Additional Board Presentations/Observations**

Mr. Taylor gave an overview from Auto Data Direct's perspective, reporting, among other things, that DOJ's clarification requiring towing companies to participate in reporting had driven towing participation up 49% during the first nine months of the year. He also showed graphs indicating the positive effect DOJ's enforcement mailings have had on reporting. Significantly, Alabama is now requiring a salvage yard to show its NMVTIS ID before being issued a license, accounting for a 38% increase in the number of NMVTIS IDs or applications to set up accounts since October. He proposed that the Board and DOJ encourage the same procedure in other states.

Mr. Dartland noted that CFA is considering forming a Consumer Protection Institute to deal with used car issues extensively. He requested that the Board consider supporting the Institute, which would require about \$100,000.

In regard to publicizing NMVTIS, Mr. March mentioned Federal News Radio and Facebook as possibilities. Ms. Huntoon said BJA has looked at the possibility of using Facebook. Mr. McDonold said he would look into publishing another article in a law enforcement magazine.

### **Task Lists/Planning**

Mr. Brighton sought comments on items BJA should consider for future planning. He reiterated the potential benefits of forming a subcommittee on additional forms of outreach to law enforcement, and Board members agreed that would be valuable. Ms. Judd expressed interest in law enforcement's current use of the system, and Ms. Fitzgerald requested a snapshot of what law enforcement sees in a NMVTIS report for the next meeting. Ms. Cameron agreed to that request, adding that law enforcement sees everything a state sees.

Mr. Wilson asked Mr. Brighton if law enforcement auctions are complying with the reporting requirement, saying they have had questions from the towing community on whether they are required to report, and Mr. Brighton noted that BJA plans to address that issue in the update of the Frequently Asked Questions (FAQs).

In response to a question on lien enforcement, Ms. Cameron said one of the providers has a business relationship where they can provide lien information. However, she noted that lien information is not part of the NMVTIS data set.

Ms. Huntoon reiterated that the subcommittees should make sure they have enough guidance to know in what direction they need to head. She requested they produce a one-page action plan on their charge. Likewise, Mr. Brighton asked if they might consider establishing milestones for their identified tasks/recommendations that would carry the subcommittee at least through next summer. Mr. Van Alst replied that his subcommittee had not known about the state fees AAMVA recommended, indicating that information sharing of that type would be helpful in meeting the subcommittee's objectives.

### **Public Observer Comments**

Kerry Bentfield of the American Salvage Pool Association said salvage pools have been reporting. They have been working with BJA to clarify some instances where they need clarification.

The additional observers expressed the need for lien information. For example, Mark Warner, Auto Finance Fraud Investigator and Auto Finance Board Chair of the International Association of Financial Crime Investigators, said that if people cannot see if there is a lien on a vehicle they are not getting complete information. He commented that there has to be a means to alert the public of liens against vehicles, even if the amount or holder of the lien is not revealed.

Berta Phelps of Manheim Auto Auctions made an even stronger plea for NMVTIS to include lien information, noting that her industry would use NMVTIS more and thereby increase system revenue.

There was considerable board discussion about the issue, with Mr. Owens and Mr. Taylor saying they agree that they would like to add lien information to NMVTIS. However, Mr. Owens noted there is no central place to find reliable and accurate information, and Mr. Taylor noted that many states generate revenue from lien data and therefore the Revenue Subcommittee did not consider dealing with the issue. Mr. Ford observed that many states depend on revenue from selling lien and other records to finance the DMV, but fortunately Florida does not.

Ted Hotham of Experian Information Solutions commented that most jurisdictions hold lien data very close and that the most Experian can get is a flag that there is a lien. However, they do not provide lien data as part of their reports because it is not accurate. He also observed that most states do not actively enforce the requirement to provide a lien release.

Mr. Spiller said NVS collects lien data directly from the lenders and has made arrangements with some consumer providers to offer such information as an augmentation of the NMVTIS report (it is available to any of the consumer providers, he noted). It was noted that the resources needed to address lien holder information within NMVTIS are already at the Board table. There was general agreement that BJA would explore the issue further.

## **Board Member Observations/Comments**

Ms. Judd said she hoped that by March there would be an update on the e-title proof of concept request for proposal that AAMVA issued. She also noted that while lien data remains an issue for states, there are still integrity issues with the data that is required to be in the system. She observed that while the towing operators are coming on board, the remaining data integrity issues are not organized, adding that she does not understand the magnitude of them.

Mr. Owens added to those remarks, noting that a detailed actuarial analysis of NMVTIS data shows that while the data looks promising, the reporting gaps sour the business cases – which could be made easily if the data were complete. He added that determining the real magnitude of the JSI gap has been difficult and emphasized again the importance of getting the system to 100% coverage.

Mr. Wilson focused on enforcement, saying that by the next meeting he hoped to hear reports of fines that have been levied against non-reporters. He stressed the difficult time his mom-and-pop-level members have seeing signs for the 1-800-JUNK dealers – whom they know are not reporting – when they have been

doing the right thing. He acknowledged BJA's limited resources, stating he wants to work with his members to help BJA with enforcement.

Mr. Spiller expressed support for forming a law enforcement subcommittee, adding that perhaps NMVTIS could be tied to systems in other countries, especially in the northern hemisphere. Mr. McDonold emphasized that exports are indeed a problem, observing that while some say auto theft is down, the recovery rate is significantly down.

Mr. Moors thanked Ms. Huntoon for magnificent service and said he had made a presentation on NMVTIS and AB 1215 to Automotive Trade Association Executives, an organization comprised of the state and metro new motor vehicle dealers associations adding that he believes most states will be watching to see what happens in California as a result of the bill.

### **Adjournment/Closing Remarks**

Mr. Brighton and Ms. Cameron said they were considering the weeks of March 5, 2012 or March 26, 2012 for the next meeting. Additionally, the weeks of July 9, 2012 and July 23, 2012 are being considered for the subsequent meeting.

Mr. McDonold thanked the Board for the excellent dialogue, and commended them on staying focused on the goals. He adjourned the meeting at 4:05 p.m.