



NMVTIS Stakeholder Webinar
November 10, 2020
Questions and Answers¹

	Question	Answer
1.	How many states are making branding decisions based only on the JSI information?	There are no states making branding decisions based only on the JSI information. States consider the JSI, title, and brand information as part of decisioning on how to retitle a vehicle.
2.	Insurance companies want claim numbers. Why aren't those required as part of what they report?	NMVTIS regulations require insurance companies to report vehicles deemed a total loss, with no specific reference to insurance claim processing. This could be a data point insurance may wish to voluntarily report to NMVTIS.
3.	We consumer advocates are regularly seeing salvage cars sold through salvage auctions (like Copart) disclosed only as "to be determined" in the NMVTIS reports. Does ARA share consumers' concerns about this sort of incomplete and ambiguous "disclosure"?	<p>Question 1 highlights some of the intricacies and issues related to inconsistencies of state branding laws. Part of the rationale behind the creation of the NMVTIS program was to provide consistent federal definitions for “junk automobile” and “salvage automobile” (28 C.F.R. § 25.52) to help prevent fraud and anti-consumer practices that come as a result of inconsistent state branding laws. Under current law, an NMVTIS reporting entity (such as a salvage auction) is required to report an initial disposition and final disposition for a vehicle – unless the reporting entity is certain of the vehicle’s final disposition at the time of acquisition in which case, only a final disposition report needs to be submitted. Therefore, in cases where a car sold through a salvage auction only has a “to be determined” disposition in a NMVTIS report, the salvage auction has not yet reported the final disposition (which they can do up to 30 days after their sale of the vehicle).</p> <p>The confusion in question 1 is due to consumers not understanding that if a vehicle has an accompanying junk/salvage insurance (JSI) report in NMVTIS, then the JSI reporting entity had deemed the vehicle to meet the federal definition of “junk automobile” and “salvage automobile.” Therefore, even if a vehicle only has a “to be determined” disposition in its NMVTIS report, the vehicle has been determined by the JSI reporting entity to be a “junk automobile” or “salvage automobile” under the federal definition. To avoid the aforementioned confusion on the part of consumers, ARA makes the following recommendation to AAMVA. AAMVA should direct all public portal providers to include a statement on all NMVTIS reports explaining that if a JSI reporting entity has reported a vehicle into an NMVTIS</p>

¹ Several questions posed during the webinar are still awaiting answers and will be included here as soon as possible.

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		report, that this means the reporting entity determined that the vehicle has met the federal definitions of either “junk automobile” or “salvage automobile.” By including this information into NMVTIS reports, consumers will better understand the meaning of the NMVTIS report.
4.	Auto Data Direct reports will show "Undetermined - final disposition not yet determined", followed by "sold." Can Auto Data Direct explain such "reporting"? Can AAMVA? Consumers are highly concerned about such "reporting".	<p>ADD’s vehicle history report does display the status of a vehicle as “<i>undetermined – final disposition not yet pending</i>”. This is accurate, because the disposition is still pending. When the vehicle is sold, crushed or scrapped, the reporting entity must update the disposition in NMVTIS, which is what ADD’s notation indicates.</p> <p>It is important to keep in mind, the disposition is supplemental information; the fact the vehicle was reported is because it was deemed junk/salvage by the reporting entity. The supplemental report of the disposition is simply an indicator of what transpired once the junk/salvage vehicle was taken into the possession of the reporting entity.</p>
5.	What kind of additional information are you hoping to display in the JSI data? Can you give some examples of this voluntary data?	There are two additional data points under consideration to be provided voluntarily by insurers: 1) the reason for the total loss; and 2) the percentage of damage associated with the total loss determination. These additional data points will provide more transparency to the total loss determination which may better inform a state or prospective buyer of the used vehicle.
6.	What are ARA's specific concerns regarding Safe Harbor? When you say that entities are "over" or "under" reporting, are you referring to the damage thresholds for reporting?	ARA’s specific concerns regarding the Safe Harbor provision, which was posted on vehiclehistory.gov in September 2017, stem from the fact that the provision allowed for the government to fine entities for over-reporting vehicles into NMVTIS. After the Safe Harbor provision was initially published, automotive recyclers already reporting into NMVTIS became concerned that they would become subject to fines if they had over-reported a vehicle (even in cases where the automotive recycler made their best effort to comply with the law). However, upon a careful reading of the Safe Harbor provision, the problem of over-reporting appears to primarily involve “cases involving junk or salvage auctions” when the auction does not own a vehicle but reports on the vehicle anyway. So long as this is the intent of the over-reporting penalty in the Safe Harbor provision, ARA has no issue with the provision. However, ARA opposes any other interpretation that would put automotive recyclers at risk for over-reporting penalties after having made a good-faith effort at complying with the NMVTIS requirements.
7.	Not all states brand vehicles off of JSI information. Are there concerns that this inconsistency may increase the risk of "washing" a vehicle of damage?	Through a NMVTIS inquiry, states have access to current and historic title information as well as the JSI information. Should one state take titling action based on JSI information it becomes part of the title record. When the vehicle

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		goes to another state, the new states have access to the full title history as well as the JSI information and can make its own determination of titling. NMVTIS enables the states to make informed titling decision with a more complete view of the vehicle's history.
8.	Is there some way that AAMVA could make available which electronic reporting provider was used to post JSI data to NMVTIS? We frequently hear from auto recyclers and auctions that they do not know how to add an amendment to their JSI data. It would be helpful to be able to refer them back to their data reporting provider.	Currently there are no plans to add the data consolidator information as part of the public disclosure. AAMVA would need to consult with the data consolidators as such level of public disclosure would add an additional requirement and cost.
9.	When you say that there are reporting "errors" do you mean that vehicles are being reported to NMVTIS as junk or salvage in error? Is it that they are not truly damaged?	Reporting errors are instances where the entity either titled an incorrect VIN or the trigger for the report was inaccurate. For example, because the vehicle was in inventory does not mean it must be reported. Reporting is triggered when the vehicle is deemed to be junk/salvage or in the case of an insurance company, when the vehicle is determined to be a total loss.
10.	Did I misunderstand? Are all salvage yards required to report any vehicle over 10 years old to NMVTIS in the JSI section regardless of disposition? Follow-up question, are they required to report every vehicle they take in within 72 hours, regardless of disposition?	Under federal regulations any individual or business that handles more than five vehicles deemed junk/salvage annually, regardless of age, must report those vehicles to NMVTIS. The trigger for reporting the vehicle to NMVTIS is the entities' determination of the vehicle being junk/salvage. The issue of disposition is secondary condition after the vehicle has been determined to be junk/salvage. Its disposition can be "scrap" "crush," or "sold," making the vehicle a junk/salvage that has been "crush", "scrap" or "sold". The reporting timeframe is within 30 days of the vehicle coming into possession of the individual or entity; however, several states have established shorter reporting timeframes for those entities under state law.
11.	We have found that most reporting entities do not realize that they are reporting to NMVTIS. When customers contact those entities for more information, they are not aware that they have reported, or how to retract that information. Is it possible to open more communication with the reporting entities so that this issue can be mitigated?	AAMVA does not have a direct relationship with the reporting entities. The reporting entities have formal relationships with the data consolidation services. AAMVA will reach out to the data consolidators to discuss strategies to enhance communications by entities.
12.	Are there any plans to add accident data that did not lead to a total loss and maintenance/service data to NMVTIS?	Currently there are no plans to add accident/maintenance/service data to NMVTIS. The data currently reported to NMVTIS is intended to provide a use with sufficient information to make an informed decision regarding a vehicle history or value. If

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		additional information is needed there are other sources where those data points can be found.
13.	Why haven't all states joined, is this not federally mandated?	State participation in NMVTIS has taken time because funding for participation was not readily available. Implementation of NMVTIS involved integration with states' titling systems. Those systems were not readily able to connect with NMVTIS. In many cases, resources to do the work of implementation was not available when compared with other state mandates and priorities. Fortunately, the system is now at a critical point with 48 of the 51 jurisdictions participating in the system. The participating jurisdictions represent 98% of the vehicle population as reported in the last Federal Highway Administration figures (2018).
14.	How much resources are being used for odometer fraud?	<p>NHTSA estimates that more than 450,000 vehicles are sold annually with false odometer readings. There currently is not a way to quantify what investigative resources are being used nationally to investigate odometer fraud, and odometer fraud charges and convictions are not an area where criminal justice collects data. The National Highway Traffic Safety Administration (NHTSA) has an Office of Odometer Fraud Investigations, information about their work can be found here: https://www.nhtsa.gov/equipment/odometer-fraud.</p> <p>Each jurisdiction has laws specific to odometer fraud, with some jurisdictions having more resources to investigate than others. The National Odometer and Title Fraud Enforcement Association (NOTFEA) provides training and resources to investigate and prosecute odometer fraud. More information about NOTFEA can be found here: https://notfea.net/. This site also contains articles about successful odometer fraud investigations you may find of interest.</p> <p>If you have further questions on this topic, contact Paul Steier, AAMVA's Law Enforcement Program Manager at psteier@aamva.org.</p>
15.	Where do you see the pushback from the enforcement side, example, state legislature or lobbyist?	<p>Law enforcement may push back if they see this as an unfunded mandate. It is important to stress enforcement should not be a legislative mandate but a tool to encourage and obtain compliance, ultimately improving highway and public safety.</p> <p>Legislatures may push back if they see this as only government control and regulation. To mitigate such push back, efforts should be made to educate legislatures on the importance of accountability for accurate vehicle history data to provide enhanced consumer protection and to deter fraud and other crimes; and</p>

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		<p>find compromise with legislatures on allowing older junk vehicles to be disposed of without titles if safeguards are in place, such as VINs being reported to NMVTIS.</p> <p>Industry may push back if it appears to be more mandates and added costs of doing business with no benefit. It is important to find compromise as mentioned above to allow industry to move commerce forward and dispose of junk vehicles but with accountability. Industry does not want to deal with stolen vehicles and vehicle parts, and this is a way to protect them from that. Also, industry can find value by all businesses operating in that jurisdiction being held equally accountable for NMVTIS reporting.</p>
16.	Can you confirm the added data items are being requested for insurers to add?	As part of the rewrite of the JSI system application, the following additional data points are proposed for insurance to provide: "reason for the total loss" and "percentage of damage".
17.	The new Odometer Act updated the reporting for vehicles 11-20 years old. How can that overlap with NMVTIS compliance checking?	NMVTIS compliance enforcement efforts can include determining vehicles have been reported properly to NMVTIS and can also include checking compliance with state title and odometer laws. With the new odometer law, older vehicles in the past could be disposed of with no odometer statement but will now be required to have one if they meet the new age requirements. This can be checked during compliance reviews.
18.	Hi Jay, why do you think that the data has not identified stolen vehicles in Georgia?	ADD's GA solution does not include the stolen vehicle check in the same way as it is included in TN. ADD has offered to include the check for the GA solution for an additional cost. GA DOR has not yet asked for the feature to be included in their solution.
19.	How many state and local law enforcement agencies has AAMVA provided NMVTIS training to?	One of the goals of the AAMVA NMVTIS Law Enforcement Subcommittee is to educate law enforcement officers and non-sworn DMV investigators on the use and benefits of the NMVTIS Law Enforcement Access Tool. Subcommittee members, along with U.S. Department of Justice staff, have provided training to thousands of officers and investigators from across the U.S. and Canada.
20.	How can a state DMV contact an insurance co that may have entered a vehicle in NMVTIS in error?	If there are errors in reporting, the reporting entity should be contacted to correct the error. The reporting entity contact information including name, address, phone/email is included in the insurance report information in NMVTIS.
21.	When Vivienne was talking about the finances and states pay to participate - I believe there is also a rebate to states component. Is that correct and if so, does the rebate ever exceed what the states pay in?	As part of the state user fee model, states earn a portion of the wholesale fee collected when a NMVTIS record where the state is the current state of title, is sold to one of the Approved NMVTIS Data Providers. This is called a Consumer Access Fee Credit. The intent is twofold: 1) encourage states to promote the use of NMVTIS vehicle history reports; and 2) provide a source of funding to assist states

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		in paying annual user fees or future enhancements to titling procedures/system or training. Depending on the volume of records sold, it is possible for the credits earned to exceed annual user fees. Unused credits earned are available for use toward future annual user fees or title system activities.
22.	It is good to hear that stolen vehicles are being recovered utilizing data. Could you expand on how that works? Is it NCIC, NICB, JSI or some other data that flags the stolen vehicles?	The value of stolen vehicles is being able to sell the vehicle or parts of such vehicles to unsuspecting consumers. The more up-to-date and accurate VIN data that is maintained and available to motor vehicle agencies, law enforcement, and consumers, the more difficult it is to conceal stolen vehicles identities. Therefore, having junk, salvage, and insurance (JSI) vehicle information within NMVTIS in a timely manner is so important.
23.	What types of entities are not complying?	<p>Unfortunately, some required parties of all entity types are not currently complying with their legal requirements to report under federal law. This noncompliance can take the form of required parties not registering with NMVTIS and subsequently not reporting any vehicles into NMVTIS. In other cases, noncompliance can take the form where parties that are registered with NMVTIS only report on some of the vehicles for which they are obligated to report. The Automotive Recyclers Association (ARA) would like to see all legally required entities reporting into the NMVTIS program. For years, ARA has been educating its members on the need to adhere to NMVTIS reporting requirements. ARA is proud to say that most if not all its members have acquired NMVTIS reporting ID numbers and are submitting the required information.</p> <p>As opposed to asking the question as to what types of entities are not currently reporting, a better question may be how do we achieve greater compliance from those already obligated to report? Currently, NMVTIS faces the challenge that there are still too many entities of all types not meeting their legally required reporting obligations. To achieve greater reporting compliance, there needs to be NMVTIS enforcement at both the federal and state level. ARA has worked alongside the Department of Justice, Bureau of Justice Assistance to encourage greater NMVTIS enforcement. Due to a lack of enforcement resources at the federal level, the best solution to enhance NMVTIS compliance would come from state department of motor vehicles and law enforcement agencies. To do this, ARA continues to encourage state departments of motor vehicles and law enforcement agencies to incorporate NMVTIS compliance as an obligation under state law – including the ability to collect fines for NMVTIS violations.</p>

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24.	Salvage auctions and other salvage yard operators are required to report vehicles they receive from insurance companies as "salvage", UNLESS the vehicles have received independent good-faith appraisals determining that they are NOT salvage, isn't that correct? How does this square with NMVTIS reports by such auctions saying only "undetermined"? Consumers and honest dealers need that full, proper disclosure.	<p>The Final Rule (28 CFR Part 25) allows for a “good-faith physical and value appraisal conducted by qualified appraisal personnel...”. When submitting a NMVTIS Vehicle Inventory Report, if the final disposition of the vehicle (e.g., SOLD, SCRAP, CRUSH) is unknown, then the disposition is left blank. In response, a reporting entity might list the disposition as “undetermined”, or if left blank, a data Provider might list as “undetermined” in the vehicle history report. Once the reporting entity knows the vehicle will be SOLD, SCRAP or CRUSH, the initial report is updated with that disposition.</p> <p>The existence of a record confirms that the entity determined the vehicle is junk/salvage or, in the case of an insurance company, total loss/salvage. This disposition provides consumers with transparency about the known final status of vehicle.</p>
25.	But this "disclosure" NEVER says "salvage"; it says at first "undetermined" and then "sold". Consumers are being totally misled by this. I speak from experience.	See the response to question #24.
26.	Greg, the DOJ regulations say that a car coming from an insurance company is presumptively salvage when sold by a salvage auction. Right?	No DOJ response - awaiting further clarification from requester
27.	Much of the POINT of NMVTIS is to have a FEDERAL standard for when vehicles MUST be reported as "salvage". 28 CFR 25.56.	No DOJ response - awaiting further clarification from requester
28.	I request a chance to talk with Greg after this webinar. This is of FUNDAMENTAL importance for DOJ to have a correct understanding of its own regulations. You-all have my contact info.	No DOJ response - awaiting further clarification from requester
29.	By any chance have they thought about changing that to total financial loss, vs total loss?	Under the NMVTIS Final Rule, vehicles declared to be a “total loss” are required to be reported to NMVTIS. Section 8, “Total Loss Definition/Fair Salvage Value”. It is mandated to require reporting of “salvage” vehicles, which include those vehicles determined to be a total loss. As a range of definitions may impact an insurance carrier’s determination of total loss, they are encouraged to specify with total loss reporting the primary reason for the determination.
30.	Just to clarify that it is not total/salvage loss just a total financial loss to the insurance company. The vehicle may in fact be sold back to the consumer.	See the response to Question #29.