



## Sept. 17, 2018      Overview on Cars Damaged by Flood Waters

As a result of the flooding associated with Hurricane Florence, it is estimated that a substantial number of vehicles will sustain severe water damage. Such water damage can make a vehicle's electrical system, including airbag sensors, prone to failure. Based on past experiences with flood-damaged vehicles associated with other hurricanes, it is very likely that many states will see flood-damaged vehicles enter their used vehicle markets for sale, titling, or registration.

- Though not all states were directly affected by Hurricane Florence, flood-damaged cars could potentially wind up on the market across the country. Every state could ultimately be affected and should be on the lookout for flood-damaged vehicles.
- The Department of Justice's National Motor Vehicle Title Information System (NMVTIS) is designed to protect consumers from fraud and unsafe vehicles and to keep stolen vehicles from being resold. NMVTIS is also a tool that assists states and law enforcement in deterring and preventing title fraud and other crimes. Most states participate in the program by contributing title and brand data to include flood damages vehicles. There are a few states not contributing data nor are they checking the system prior to retitling an out of state vehicles, therefore they will not be able to access data that states have contributed.
- This storm and its aftermath are a prime example of the benefits to participating in NMVTIS, and states who aren't currently involved in the program may want to take this opportunity to consider getting involved. If a state doesn't contribute information to NMVTIS, they are not able to access the information contained in the system that may protect citizens from unsafe or stolen vehicles.
- NMVTIS Junk, Salvage and Insurance Total Loss (JSI) program is a way to report and identify vehicles deemed junk/salvage and insurance total losses within NMVTIS. Under the NMVTIS JSI program insurance companies are required, by federal law, to report to NMVTIS any vehicle that they deemed to be a total loss. It is possible that some insurers may determine that some of the affected vehicles may be repairable and will not be deemed a total loss, however, if they are deemed salvage, other businesses such as salvage auctions are also required to report these vehicles to NMVTIS.
- The requirement to report to NMVTIS is on a 30-day cycle, therefore, it is possible that flood-damaged vehicles may appear for titling or registration, and a NMVTIS check may not show a report by an insurer if they had not yet reported it to NMVTIS. The Department of Justice is reaching out to the various JSI program stakeholders asking for their prompt, timely and complete reporting so that all users of NMVTIS information can make informed decisions regarding a vehicle's history and, in the interest of consumers, the vehicle's fair market value and safety.

- What can states do?
  - Work with federal and other government agencies to assist in locating and identifying vehicles that were damaged by flooding.
  - Encourage prospective purchasers of used vehicles to conduct a vehicle history check to determine the vehicle's prior history, if it was from one of the flood affected states, **and** conduct an independent inspection of the vehicle.
  - Take extra pre-cautions to identify and brand flood-damaged vehicles **and** to query NMVTIS before issuing a title.

### **Relevant AAMVA Experts**

**Vivienne Cameron, Senior Director, Special Projects** One of Ms. Cameron's key responsibilities is the operational management and administration of NMVTIS on behalf of AAMVA, the system operator. Her areas of responsibility are the operational management of all aspects of NMVTIS including, the state, consumer access, law enforcement and reporting to NMVTIS, junk/salvage yards and insurance companies programs.

**Cathie Curtis, Director, Vehicle Programs** is responsible for the overall operation of the vehicle programs such as title, registration, dealer licensing and other related programs and serves as the lead program expert of emerging vehicle technology. Prior to joining AAMVA in 2012, Ms. Curtis managed the vehicle programs at the Maine Bureau of Motor Vehicle for 27 years and for an additional five years served as the Deputy Secretary of State for the Bureau of Motor Vehicles.

**Paul Steier, Law Enforcement Program Manager** is the staff liaison to the NMVTIS Law Enforcement Working Group and responsible for assisting with the use of the NMVTIS Law Enforcement Access Tool as well as serving as a resource for fraud prevention efforts. Prior to joining AAMVA in 2017, Paul served for 25 years as a commissioned law enforcement officer with the Iowa Department of Transportation, spending the last 10 years of his career as Director of the Bureau of Investigation & Identity Protection.

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