

THE PAPER TRAIL

TITLE AND REGISTRATION BASICS



Finding and buying a collector car, truck or motorcycle can be very exciting. However, one of the most important aspects of the transaction isn't nearly as glamorous – making sure the paperwork can be easily transferred into your name. Sometimes this can be an involved process, because every state has different laws and procedures when it comes to titling and registering a car. In fact, a handful of states don't even issue titles for older cars.

DOCUMENTATION . . . SO WHO REALLY OWNS IT?

Paperwork is critical when it comes to any type of vehicle. The most important documents are:

- **Title** (signed by seller) – proof of ownership
- **Registration** – links your vehicle to its license plate and allows it to be operated on the road
- **Bill of Sale** – documents the sale amount, seller and date of sale

A vehicle title is extremely important because it shows that you legally own the vehicle. However, a registration can be almost as important if you live in a state that doesn't issue titles for older vehicles.

The bill of sale is also crucial because it proves you legally acquired the car, truck or motorcycle and serves as the basis from which your state calculates sales tax. To avoid paying taxes, many people try using bills of sale for amounts lower than the actual purchase price. Not only does this practice constitute fraud, it could cause additional problems if you have a legal dispute with the person selling the vehicle.

When buying any car, there are certain precautions you should take:

- Always ask to see the seller's legal identification and proof of address, and either make a photocopy or write down the driver's license number.

- Make sure the car you're buying is the one represented in paperwork by comparing the VIN or serial number on the car to the one on documents.
- Walk away if you can't be sure of the identity of the car or the seller.

MAKING IT YOURS

Even when a car isn't roadworthy, transfer it into your name immediately by going to your local Department of Motor Vehicles, Secretary of State's office or notary public. If you send it out for work or restoration, you'll have concrete proof of ownership. And if there are any title or ownership problems, you'll find out immediately when you attempt to transfer the paperwork.

TITLING

The titling process varies by state. In some states, you need to go to a Department of Motor Vehicles office or a Secretary of State's office; in other states, a notary or your local automobile club can handle these transactions. Typically, you'll need a signed title, complete with the odometer reading, and your bill of sale. If your car is coming from a non-title state, a bill of sale is required. You'll also need a copy of the most recent registration (or the transfer half of the registration) and a tracing of the VIN or serial number, depending upon the age of your vehicle.

Transferring ownership will be more difficult if the prior owner(s) never titled or, in the case of a no-title state, registered the vehicle. In those cases, it's important to establish a continuous chain of ownership with as much documentation as possible. Certain states might also require a physical inspection of the vehicle by a notary public or law



enforcement officer to verify the serial number or VIN. Some states may also require that a car be titled or registered within 30 days or less of the purchase. (See www.hagerty.com and go to the Department of Motor Vehicles page for a list of states requiring transfer of paperwork within a set time frame.)

REGISTERING

To register a vehicle, you must present your driver's license and proof of insurance. In addition, you'll need proof of ownership, which can be in the form of a title or bill of sale. (See www.hagerty.com and go to the Department of Motor Vehicles page for a list of states that don't issue titles for older cars.) If you're planning on licensing your vehicle as an antique or a classic vehicle, photos of both sides and the front and rear of the car may be required.

TITLE PITFALLS

We've all met or heard about people in the old-car world who misrepresent cars and can quickly transform a buyer into a victim. One area where it's possible to be victimized involves title fraud, which occurs when the actual title, other ownership documents, and VIN or serial number have been changed or misrepresented. If you're at all concerned about potential problems with a title or vehicle identity, be sure to pay extra attention if the transaction involves any of these instances:

- A vehicle has an out-of-state title.
- A vehicle was recently brought to your state and issued a new title.
- The VIN or serial-number plate attached to the car shows sign of tampering, is obscured from plain view or is missing.
- Documentation doesn't confirm what the seller has told you.
- Features, equipment and finishes aren't appropriate for the year of the car represented.
- The text and lines on the title are not sharp, which can indicate tampering.

If it looks as if a paper title has been retouched or changed, it could indicate that a “brand” or marking on the title has been removed. A brand often consists of a number code printed on the title and may indicate the following:

- The car has been reconditioned.
- It has been rebuilt from a wreck (salvage title).
- The car has been involved in a flood and subsequently repaired.
- The car is a recovered theft.
- The car has been stolen.
- The car’s true mileage is unknown.

In most cases, a branded title will have limited effect on the value of a collector vehicle. The older and more unusual a vehicle, the less impact a brand is likely to have. However, in the case of a recent special interest or exotic car, the value or marketability of the car could be greatly reduced if it has had a troubled past. In addition, a car that has been rebuilt from a wreck or involved in a flood could experience significantly more problems than a similar model that has led an easier life.



KIT CARS AND STREET RODS

Title matters can be a bit more complicated with kit cars and street rods. If your street rod or hot rod is modified from an existing vehicle, you simply retain the identity of the car or truck on which it is based. If your rod is built from a new frame with all new running gear, you'll have to consult with your state Department of Motor Vehicles or Secretary of State's office to ensure it complies with all emissions, crash requirements and other applicable laws.

In many cases, kit cars built on the platform or chassis of an existing vehicle may retain the original vehicle identity. However, procedures vary for titling and registering a kit car built with a new frame. In most cases, your kit car will require a physical inspection prior to registration, but the type and scope of the inspection varies by state.

Titling an all-new vehicle using the identity of an older car or truck is generally illegal. Many states are cracking down on street rods and kit cars that are falsely titled to reduce the taxes paid or to circumvent emissions or safety regulations. Falsifying such documents can result in hefty fines and jail.

For specifics in your state, contact the Department of Motor Vehicles or Secretary of State's office. Visit www.hagerty.com/dmv to find contact information for your state.





TITLE COMMON SENSE

Most people in the old-car world are inherently honest. However, the hobby does have its share of less-than-reputable characters. When buying a car, it makes sense to know what the VIN or serial number sequences should look like and to be able to determine if a car is a mix of parts from different years.

To help ensure the car you're buying is as represented, there are a variety of serial-number books and marque-specific books that provide the number information you'll need. Proceed cautiously, do your homework and ask a lot of questions – both of a seller and the DMV. Follow these simple guidelines, and chances are you'll have no problem with titling and registering your newly acquired collector car.

Hagerty is the premier source for safety and protection information about the collector car hobby. For more information on enhancing your collector car ownership experience, log on to **www.hagerty.com** or call **888-310-8020**.



Towing & Benefits Program

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