



Motor Vehicle Division Informational Memo # 23-03

Administrative Rule Updates for Exception from Requirement to Obtain an Iowa Title Prior to Transferring a Foreign Title to an Insurance Company

DATE: April 13, 2023

FROM: Kelli Huser, Compliance Officer, MVD

TO: All Motor Vehicle Division staff, Iowa County Treasurers, and County Treasurer's staff

SUBJECT

This informational memo explains an update to administrative rule chapter 761—400, "Vehicle Registration and Certificate of Title."

SUMMARY

The Iowa legislature passed a bill in 2022 that created a new exception for holders of foreign certificates of title. "Foreign" in this context means a non-Iowa title. The new exception allows the owner of a foreign certificate of title to transfer the title directly to an insurance carrier if:

- The insurance carrier is authorized to do business in Iowa,
- The foreign certificate of title is held by a secured party, and
- The insurance carrier has forwarded the secured party the money to discharge the security interest.

This same exception currently exists for motor vehicle dealers. The bill expands the exception to insurance carriers.

This rule-making updates Chapter 400 to match the legislation.

The administrative rule amendments are effective April 12, 2023.

LINK TO ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/aco/arc/6932c.pdf>

CURRENT

Under current law, administrative rule chapter 761—400 did not include the changes from this legislation.

You may wish to review the previous informational memo (IM 22-15) for more information on the background of this legislation.

For internal DOT employees, you may find IM 22-15 in the W drive at the address below:

W:\MotorVehicle\Memorandums\Administrative rules-vehicle

For County Treasurers and staff, you may find IM 22-15 at the link to the county treasurer's manual below:

<https://iowadot.gov/mvd/ctmanual/memos/IM-22-15.pdf>

NEW

As of April 12, 2023, the rules will align with Iowa Code and our current processes.

BUSINESS IMPACT

This directive does not impact the way that Motor Vehicle Division operates as we have already updated our processes to implement this change. Rather this directive is just informing you that the administrative rules have now been updated.