

February 2013

SPECIAL EDITION

Clarification of Changes Related to Assignments of Ownership

This is a clarification to Bulletin 12-16 you received on December 20, 2013 regarding Act 178 of 2012. Act 178 was signed into law October 24, 2012, and became effective December 24, 2012. This Act amended the Pennsylvania Vehicle Code, Title 75, Sections 1111 and 1161, providing certain exceptions for dealers and insurance companies when assigning ownership to a vehicle.

This Act amended Section 1111(a.1), allowing dealers to assign ownership of new vehicles using a Secure Power of Attorney (SPOA) when the Manufactured Certificate of Origin is being held by a lienholder. Application submission deadlines and requirements remain in effect for dealers who sell a vehicle before delivery of the proof of ownership. Please note, the use of the SPOA does not negate the need for the Manufacturer Certificate of Origin to be properly assigned and attached to the title application.

In addition, Act 178 permits dealers to use the SPOA to sell used vehicles to out-of -state customers utilizing part B of the SPOA. The used vehicle originally would have been traded in using part A of the SPOA, as the procedures are currently being handled. The new law allows for Pennsylvania dealers to use part B, of the same SPOA, to sell the vehicle to an out-of-state resident. It cannot be used to sell a vehicle that was traded in on an out-of-state title with a lien payoff. The dealer must still wait until the out-of-state title is received from the financial institution. This procedure can only be used for PA titles.

Act 178 also amended Section 1161(b) to allow an assignment of ownership to an insurance company without the required notarization or verification of signatures, provided the insurance company is applying for a Pennsylvania certificate of salvage. In addition, if the vehicle owner provided a Secure Power of Attorney to the insurance company due to a lien payoff, notarization or verification of signatures is not required on the Secure Power of Attorney.

AGENTS ARE REQUIRED TO ENSURE ALL THEIR EMPLOYEES RECEIVE PENNDOT'S DRIVER AND **VEHICLE SERVICES UPDATE BULLETINS**