

Under the Trooper's Hat
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When transferring ownership of a motor vehicle, the owner or transferor (seller) is required to endorse an assignment and warranty of title on the vehicle's certificate of title (Part 1). This endorsement must include the name of the transferee (buyer) and, if applicable, the selling price and purchase date of the vehicle. If legal title is transferred to the buyer, the owner must provide the endorsed certificate of title to the buyer within thirty days of the vehicle's purchase date.

In cases where legal title is passed to a lienholder rather than the buyer, the transferee (buyer) must endorse a statement acknowledging the lienholder's claim and submit the certificate of title to the ND Department of Transportation (NDDOT) along with an application for a new title reflecting the names of the new owner(s) and lienholder. NDDOT will then issue the new title either directly to the lienholder or through an electronic lien notification procedure. If the seller is going accept payments for the purchase of the vehicle, the seller must list themselves as the lienholder. The seller **cannot** withhold delivering the title until the payment is paid in full. In this event, the seller **must** complete the lien process. Without the lienholder's inclusion on the title, there is no security interest in the vehicle.

A security interest is like a safety net for a lender when they give someone a loan. It means that if the borrower can't pay back the loan, the lender has the right to take something of value from the borrower to make up for the loss. For example, let's say you borrow money from a bank to buy a car. The bank may have a security interest in the car, which means if you don't make your car payments as promised, the bank can take the car back and sell it to recover the money you owe them. So, the car acts as collateral or security for the loan.

A lienholder only gains a security interest in a motor vehicle when their information is clearly stated on the vehicle's title certificate. The amount of any lien need not be shown anywhere on the certificate of title, only the fact of such lien, and the identity of the lienholder. The title is good for the life of the vehicle as long as the vehicle is owned or held by the original holder of the certificate. Once processed, NDDOT- Motor Vehicle will issue a new title reflecting the lienholder's details, which gives them security interest in the vehicle. The new title showing the lien will be sent to the lienholder.

When the lien is fully paid, the lienholder must release the lien and deliver the title within ten days to the titled owner. When the title is delivered to the transferee from the sale, within thirty days of receiving the title, the transferee must submit the endorsed certificate of title to NDDOT, along with a transfer fee of five dollars and apply for a new certificate of title. Failure to comply with these requirements may result in penalties, including the suspension or revocation of vehicle registration. NDDOT prioritizes delivering the new certificate of title to the lienholder, or if there is no lienholder, to the owner. Violation of these regulations constitutes a class B misdemeanor for the owner, lienholder, or transferee.

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