

## **Michigan Electronic Title Frequently Asked Questions**

### **Dealership Purchases and Refinances**

The State of Michigan is making the switch to electronic titles. It will be mandatory by October 1st of 2023 that all titles with a lien on them must be electronic. This is to help with the efficiency of handling titles subject to financing transactions. This also helps to prevent fraud associated with titles that have wreaked havoc on the vehicle titling industry. Finally, this will also help reduce costs to the State and Financial Institutions alike.

Michigan Electronic Titles – What to expect when purchasing your new vehicle or refinancing your current vehicle:

- ELGA has been following and studying this impending change and working to understand the process changes for the past few years. ELGA is prepared and knowledgeable about these new processes and has already made the switch. The following is information about what to expect when purchasing or refinancing a vehicle with a Michigan Electronic Title. If you purchase a vehicle and finance with ELGA Credit Union, your title will be electronic. You will not receive a paper title until after the loan is paid off in full.
- If you have recently refinanced or will be refinancing your vehicle with ELGA Credit Union, your new title will be electronic. If you initially had a paper title, moving forward, all titles issued with ELGA Credit Union as the lien holder will be issued electronically.
- Your vehicle registration is the document that can act as proof of vehicle ownership.
- Your loan documents will have documentation stating that your title will be electronic. You may also receive a letter from the State of Michigan or a similar letter from the dealership if your purchase was through a dealer.
- Most states have followed a similar process for electronic titles for years, and Michigan is following suit. We will be completely switching to this process by October 1st, 2023. This means all titles issued on or after October 1st of 2023 with a lien holder will be electronic, regardless of what financial institution they're financed with.
- ELGA Credit Union does monitor its loans and will automatically release its lien once your loan is paid in full. We will request a lien-free paper title be issued to you by mail within ten business days of your loan being paid in full. If a dealership or an insurance company pays off your loan, the title will be sent directly to that party.
- Once your loan is paid in full, the released title will be mailed to whatever address ELGA has on file for you. Please remember this is one of the many reasons it is very important to have your address updated and current with ELGA Credit Union.
- After you have paid off your loan and the paper title has been requested to be mailed, ELGA cannot request another title for you. If your address with ELGA Credit Union is wrong at that time, or the title is lost in the mail, you will have to request a duplicate title from the Secretary of State. You can do this online or at an SOS branch.

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### **Private Sale or Purchase**

Michigan Electronic Titles – How title transactions are handled when buying or selling a vehicle from or to a private party with a Michigan Electronic Title:

- ELGA has been following and studying this impending change and working to understand the process changes for the past few years. ELGA is prepared and knowledgeable about these new processes and has already made the switch. The following is to provide general information and some suggestions on how to handle a private vehicle sale with a Michigan Electronic Title.
  - ELGA Credit Union suggests that you, as the seller, draft a Bill of Sale between you and your buyer that includes the information for the vehicle and the terms of the sale.
  - This would most likely include- Buyer and Seller names, Year, Make, Model, VIN of collateral, selling price, and signatures by all parties.
- This is not required nor provided service by the Credit Union; however, it can help ease the worry and confusion of not having a physical title for both parties.
- ELGA Credit Union will have a document stating that your title is electronic in your loan package. This document can also be shown to your buyer as confirmation.
- Your registration is the document that you will have in your possession to show you are the owner of your vehicle, and you could provide a copy to the seller if they wanted proof.
- If you are selling your current vehicle with an electronic title and you have a loan on the vehicle with ELGA Credit Union, the buyer may ask for a copy of your title.
- ELGA Credit Union can assist you with obtaining a printable version of your electronic title to provide to the buyer, as their financial institution may need this to complete financing for the buyer.
- Once the buyer's transaction pays the loan in full, ELGA's Title Processing Department will request the Secretary of State to print a lien-free title and mail it to your address on file. Once you receive the title, you will sign it as a seller and provide it to your buyer. The buyer will take it to the Secretary of State to transfer ownership.
- Mailed physical titles take an extended time frame to be delivered. We understand that you may want to speed this up as it can take 6-10 weeks to get a title from the Secretary of State in the mail. You can visit a Secretary of State Branch after ELGA has released our lien to have a duplicate title printed for a fee if that branch has the title paper stock to fulfill your request. ELGA releases hold on titles within ten business days of the payoff; this is closer to a 2-week time frame.

