

**EXPRESS TERMS**  
**Title 13, Division 1, Chapter 1**  
**Article 3.0 ELECTRONIC LIEN AND TITLE PROGRAM**  
**Sections 153.00-153.22**

**§153.00. Definition.**

The following definitions shall apply to this Article:

(a) “ELT” means the Electronic Lien and Title Program.

(b) “Participant” means any business or person holding an ELT account number and meets the definition in either (c) or (d).

(c) “Mandatory ELT Program participant” is any licensed or federal or state chartered financial institution (i.e. bank, credit union, savings association, thrift institution, loan, or finance company) that holds a security interest in a California titled vehicle(s), excluding a business licensed to engage in automobile and/or vessel sales.

(d) “Voluntary ELT Program participant” is any California licensed or federal or state chartered lender operating in California that holds a security interest in a California titled vehicle(s) that does not qualify in (c) of these definitions.

(e) “ELT Service Provider” is a Department of Motor Vehicles (department) approved software/service provider.

(f) “Legal owner” is defined in California Vehicle Code section 370.

NOTE: Authority cited: Sections 1651 and 4450.5, Vehicle Code. Reference: Sections 370 and 4450.5, Vehicle Code.

**§153.02. Participation.**

(a) Participation in the ELT Program is mandatory for licensed or federal or state chartered financial institutions holding California title(s) and may be voluntary for other California licensed or federal or state chartered lenders operating in California.

(b) Participants must sign up with an ELT Service Provider or be an ELT Service Provider in addition to being a legal owner.

(c) Any participant may be an ELT Service Provider once an Electronic Lien and Title (ELT) Program Financial Institution/Lender Application, form REG 671 (New 11/2011), and an Electronic Lien and Title (ELT) Program Service Provider Application, form REG 670 (New 11/2011), are filed and approved by the department. Both forms are hereby incorporated by reference.

NOTE: Authority cited: Sections 1651 and 4450.5, Vehicle Code. Reference: Section 4450.5, Vehicle Code.

**§153.04. Authority.**

(a) Upon receipt of the application requirements as listed in Section 153.06 of this Article and eligibility approval to the program:

(1) Participants shall be issued an assigned ELT number and name configuration that shall be used on all electronic transactions conducted under the authority to operate.

(2) Service providers shall be issued an Electronic Lien and Title Service Provider Permit (permit), form REG 672, (New 11/2011), which is hereby incorporated by reference and grants the authority to operate.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

**§153.06. Application.**

(a) The following shall be submitted to the ELT Program Administrator to determine eligibility for the program:

(1) Mandatory or voluntary participants must submit a completed and signed Electronic Lien and Title (ELT) Program Financial Institution/Lender Application, form REG 671 (New 11/2011).

(A) Current participants in the existing ELT Program under contract with the department may continue in the program until the expiration or other termination of the contract. To continue participation in the ELT Program after expiration or termination of the existing contract, the participant must complete a new application and be approved to continue in the ELT Program.

(2) ELT service providers must submit a completed and signed Electronic Lien and Title (ELT) Program Service Provider Application, form REG 670 (New 11/2011).

(3) Written evidence of connectivity with a department approved software/service provider or approval by the department for in-house connectivity.

(1) A list of department approved software/service providers can be found on the department's website at [www.dmv.ca.gov/vr/eltp.htm](http://www.dmv.ca.gov/vr/eltp.htm).

(b) The department will review a submitted application package for completeness within 30 calendar days of receipt of the application package.

(1) When the department determines an application package is complete and the applicant is eligible for the program, written notification shall be sent to the applicant which grants:

(A) Mandatory or voluntary participants an ELT number and name configuration to operate.

(B) Service Providers a permit to operate.

(2) When the department determines an application package is incomplete or deficient, written notification shall be sent to the applicant specifying what portion or portions of the application requirements are needed before eligibility can be determined.

(c) No fees will be incurred by the participant in the ELT Program unless the participant fails to convert its electronic titles to paper titles upon withdrawal, surrender, revocation by the department, or unless the participant voluntarily chooses to convert their existing paper titles to electronic titles.

NOTE: Authority cited: Sections 1651, 1652, 1653, and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

**§153.08. ELT Participant Responsibilities and Security Requirements.**

(a) Participants shall be responsible for auditing and reconciling transactions processed by their software/service provider in accordance with the participant's normal processing standards.

(b) Participants shall complete, sign, and submit the Information Security and Disclosure Statement Firm, form EXEC 201X (Rev. 3/2003), which is hereby incorporated by reference.

(c) Participants shall ensure the following security requirements are met:

(1) Require all employees who will have access to confidential information through the ELT Program to read, date, and sign an Information Security and Disclosure Statement Public/Private Partnerships Employee, form EXEC 200X (Rev. 3/2003), which is hereby incorporated by reference.

(A) The Information Security and Disclosure Statement Public/Private Partnerships Employee, form EXEC 200X (Rev. 3/2003), shall be completed and signed prior to allowing the employee to have access to the information and at least once per year thereafter.

(B) The Information Security and Disclosure Statement Public/Private Partnerships Employee, form EXEC 200X (Rev. 3/2003), shall be retained by the participant for the term of the program and for three years following termination from the program.

(2) Allow the department to conduct audits as determined necessary by the department to establish the participant's compliance with information security even if participation in the program is terminated, revoked, or cancelled.

(3) Develop and implement an employee security awareness training and education program.

(4) Develop and implement organizational policies that ensure that the physical and logical security of the ELT Program confidential information and electronic systems are protected from unauthorized access and viewing. These policies should address:

(A) Overall facility and worksite security standards/requirements.

(B) Standards and requirements for the placement of ELT Program workstations within a facility or worksite to ensure that only authorized individuals can view and access the displayed data.

(C) Procedures and practices regarding the secure handling and storage of ELT Program confidential information, regardless of retention medium (e.g. hardcopy, CD-ROM, USB devices, or any other type of retention medium) including appropriate methods of data destruction specific to media type and device utilized.

(D) Development and implementation of an ELT Program User Identification (ID) and password policy. The policy should mandate that each user be assigned a User ID and that each user select a unique and confidential password. The department recommends the use of strong passwords and implementation of best practice standards.

(5) Ensure employees are aware of and comply with State and Federal statutes such as, but not limited to:

(A) The California Public Records Act, as specified in Government Code sections 6250 et. seq.,

(B) The California Information Practices Act of 1977, as specified in Civil Code sections 1798 et. seq.,

(C) The California Security Breach Information Act, as specified in Civil Code sections 1798.29 and 1798.82 et. seq.

(6) Report any suspected or actual security breach involving confidential information or the networks utilized by the ELT Program within one business day of the discovery of the incident to the Department of Motor Vehicles ELT Administrator.

(7) Agree to the following information security terms and conditions:

(A) Financial institution/lenders will comply with all information security requirements related to the ELT Program. Financial institution/lenders understand that the department reserves the right to amend or enhance its requirements and the continuance of the financial institution/lenders enrollment in the ELT Program is contingent upon the financial institution/lenders compliance with the updated criteria. Information security requirements will be provided to applicants approved by the department and shall be reviewed annually.

(B) Financial institution/lenders shall be responsible for safeguarding the information received and shall restrict access to this information to its employees, agents, or parties with whom it contracts. Financial institution/lenders agree to be held responsible for any misuse of the information by its employees, agents, or parties to whom the information was entrusted.

(d) Participants shall agree to the following terms and conditions:

(1) Financial institution/lenders agree to defend, indemnify, and hold harmless the department and its officers, agents, and employees from any and all claims, actions, damages, or losses which may be brought or alleged against the department, its officers, agents, or employees by reason of negligent, improper, or unauthorized use or dissemination by the financial institution/lender or its agents or employees, of information furnished to the financial institution/lender by the department, unless the financial institution/lender can show that the department was originally furnished accurate information from the reporting source.

(2) Participants agree to reimburse the State of California, or any political subdivision thereof, for any loss or damage that the State of California, or any political subdivision thereof, may suffer by reason of any act of the participant, its agents, or employees arising out of or related to the participant's duties, functions, or obligations as a participant, including:

(A) Information obtained from the department or customers by false or misleading representations while performing the duties, functions, and obligations of a participant.

(B) Information obtained from the department or customers which is used for any purpose other than specified in regulations or ELT agreement.

(C) Any other act resulting in monetary losses being suffered by the State of California, any political subdivision of the State of California, or any of its officers, agents, or employees arising out of or related to the duties, functions, and obligations of a participant.

(D) Financial institution/lender shall consent to the jurisdiction of the California courts and agree that Sacramento County, California, will be the location for

judicial review of their rights relating to enrollment in the ELT Program under these terms and conditions.

NOTE: Authority cited: Sections 1651 and 4450.5, Vehicle Code. Reference: Sections 1798, 1798.29, and 1798.82, Civil Code; Section 6250, Government Code; and Section 4450.5, Vehicle Code.

**§153.10. ELT Service Provider Responsibilities and Security Requirements.**

(a) Service providers shall abide by all provisions and requirements provided by the department in Article 3.0.

(b) Service providers shall notify the department in writing of any ownership changes, mergers, or takeovers at least 90 calendar days prior to the change and submit a new Electronic Lien and Title (ELT) Program Service Provider Application, form REG 670 (New 11/2011).

(c) Service providers shall complete, sign, and submit the Information Security and Disclosure Statement Firm, form EXEC 201X (Rev. 3/2003).

(d) Service providers shall ensure the following security requirements are met:

(1) Require all employees who will have access to confidential information through the ELT Program to read, date, and sign an Information Security and Disclosure Statement Public/Private Partnerships Employee, form EXEC 200X (Rev. 3/2003).

(A) The Information Security and Disclosure Statement Public/Private Partnerships Employee, form EXEC 200X (Rev. 3/2003), shall be completed and signed prior to allowing the employee to have access to the information and at least once per year thereafter.

(B) The Information Security and Disclosure Statement Public/Private Partnerships Employee, form EXEC 200X (Rev. 3/2003), shall be retained by the service provider for the term of the permit and for three years following the termination of the permit.

(2) Allow the department to conduct audits as determined necessary by the department to establish the service provider's compliance with information security requirements even after the permit is terminated, revoked, or cancelled.

(3) Notify the ELT Program Administrator within one business day after the termination date if a service provider terminates an employee for cause related to honesty, integrity, good character, or reputation.

(4) Develop and implement an employee security awareness training and education program.

(5) Provide oversight for their software/service provider's procedures for protecting the confidentiality of records.

(6) Develop and implement organizational policies that ensure that the physical and logical security of ELT Program confidential information and electronic systems are protected from unauthorized access and viewing. These policies should address:

(A) Overall facility and worksite security standards and requirements.

(B) Standards and requirements for the placement of ELT Program workstations within a facility or worksite to ensure that only authorized individuals can view and access the displayed data.

(C) Procedures and practices regarding the secure handling and storage of ELT Program confidential information, regardless of retention medium (e.g. hardcopy, CD-ROM, USB devices, or other type of retention medium) including appropriate methods of data destruction specific to media type and device utilized.

(D) Development and implementation of an ELT Program User Identification (ID) and password policy. The policy should mandate that each user be assigned a User ID and that each user select a unique and confidential password. The department recommends the use of strong passwords and implementation of best practice standards.

(7) Report any suspected or actual breach of security involving confidential information or the networks utilized by the ELT Program within one business day of the discovery of the incident to the Department of Motor Vehicles ELT Administrator. The notification must include the following:

(A) Reporting company's name, address, telephone number, and ELT number,

(B) Software/service provider's name and phone number,

(C) Date, time, and location of the incident,

(D) Narrative description of the incident,

(E) Name and telephone number of any witness to the incident.

(e) Service providers shall ensure sensitive information is protected by ensuring the following information protection measures are met:

(1) Ensure employees are aware of and comply with State and Federal statutes pertaining to information security such as, but not limited to:

(A) The California Information Practices Act of 1977, as specified in Civil Code sections 1798 et. seq.,

(B) The California Public Records Act, as specified in Government Code sections 6250 et. seq.,

(C) Confidential and Suppressed Records, as specified in Vehicle Code section 1808.21,

(D) The Protection of Confidentiality, as specified in Vehicle Code section 1808.47,

(E) The Electronic Collection of Personal Information and Permanent Privacy Policies, as specified in Government Code sections 11015.5 and 11019.9, respectively,

(F) The California Security Breach Information Act, as specified in Civil Code sections 1798.29 and 1798.82 et. seq.

(2) Ensure all information is treated as confidential or restricted information by implementing the protections provided by Vehicle Code sections 1808.21, 1808.45, 1808.46, and 1808.47.

(3) Prohibit the use of information received from a customer or the department for any purpose other than the purposes authorized by these regulations.

(f) Service providers shall agree to the following information security terms and conditions:

(1) Service providers will comply with all information security requirements related to the ELT Program. Service providers understand that the department reserves the right to amend or enhance its requirements and the continuance of the service provider's enrollment in the ELT Program is contingent upon the service provider's compliance with the updated criteria. Information security requirements will be provided to applicants approved by the department and shall be reviewed annually.

(2) Service providers shall be responsible for safeguarding the information received and shall restrict access to this information to its employees, agents, or parties with whom it contracts. Service providers agree to be held responsible for any misuse of the information by its employees, agents, or parties to whom the information was entrusted.

(g) Service providers shall agree to the following terms and conditions:

(1) Service providers agree to defend, indemnify, and hold harmless the department and its officers, agents, and employees from any and all claims, actions, damages, or losses which may be brought or alleged against the department, its officers, agents, or employees by reason of negligent, improper, or unauthorized use or dissemination by the



service provider or its agents or employees, of information furnished to the service provider by the department, unless the service provider can show the department was originally furnished accurate information from the reporting source.

(2) Service providers agree to reimburse the State of California, or any political subdivision thereof, for any loss or damage that the State of California, or any political subdivision thereof, may suffer by reason of any act of the service provider, its agents, or employees arising out of or related to the service provider's duties, functions, or obligations as a service provider, including:

(A) Information obtained from the department or customers by false or misleading representations while performing the duties, functions, and obligation of a service provider.

(B) Information obtained from the department or customers which is used for any purpose other than specified in regulations or ELT agreement.

(C) Any other act resulting in monetary losses being suffered by the State of California, any political subdivision of the State of California, or any of its officers, agents, or employees arising out of or related to the duties, functions, and obligations of a service provider.

(D) Service providers shall consent to the jurisdiction of the California courts and agree that Sacramento County, California, will be the location for judicial review of their rights relating to enrollment in the ELT Program under these terms and conditions.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Sections 1798, Civil Code; Sections 6250, 11015.5, and 11019.9, Government Code; and Sections 1808.21, 1808.45, 1808.46, 1808.47, and 4450.5, Vehicle Code.

**§153.12. Cause for Refusal of Eligibility in ELT Program.**

(a) Failure of a company to demonstrate its honesty, integrity, good character, or reputation to the satisfaction of the department is good cause for the department to refuse to enter into an agreement with such applicant.

(b) Failure to comply with any of these regulations.

(c) Failure to comply with any provision of Division 3 of the Vehicle Code.

(d) Failure to comply with any applicable law providing for the privacy of personal information.

(e) Failure to comply with any applicable law providing for the confidentiality of information.

(f) Any act or omission by a company or its agents which reasonably causes the department to determine that the company is not in compliance with the rules and regulations relating to the permit.

(g) Any act or omission by a company or its agents which reasonably causes the department to determine that the company cannot be trusted to perform the functions and duties relating to the permit.

(h) The owner of a company or its agents who has been convicted of a felony or committed an act or engaged in conduct involving moral turpitude that is substantially related to the function of an ELT participant.

(i) The owner of a company or its agents who has permitted or engaged in fraudulent practices or acts, with reference to clients, members of the public, or the department.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

#### **§153.14. Transaction Access.**

(a) The vehicle registration titling transaction updates require access to the department's data communication system through an online connectivity solution, such as a Security File Transfer (SFT) with or without RSA Security certification, prescribed and approved by the department.

(b) Service providers shall conduct electronic transactions under this program following the processes prescribed by the department.

(c) Service providers shall be required to provide the department with information regarding the specific software, security features, and connectivity devices used by the service provider. This information shall be provided in a format approved by the department. Other necessary information including contact information for authorized individuals who will be involved in each stage of electronic data transport connectivity and service shall also be provided to the department prior to the service provider completing connectivity to the department.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

#### **§153.16. Participant Changes.**

(a) Changes shall be implemented on a quarterly schedule. The quarterly schedule shall be the 30<sup>th</sup> day of March, June, September, and December, or the next business day if the 30<sup>th</sup> day falls on a weekend or state holiday.

(b) Participants must complete and sign a new application prior to any change in legal structure, name, mailing address, or service provider.

(1) The department will process the requested change if the proposed software/service provider is currently authorized by the department to act as a provider.

(c) Vehicle records with financial institution/lenders who have changed their legal status, i.e., legal owner out of business, loan contract sold, merger, or bank take over, shall be changed to the new legal owner by the appropriate service provider, upon notification by the participant of the change, identity, and license number of the new legal owner.

(d) An application must be submitted at least 90 calendar days prior to the implementation date and shall become effective on the next implementation date.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

### **§153.18. Investigation and Review of Service Provider.**

(a) The department may exercise any and all authority and powers available to it under any provisions of law to administer and enforce this Article, including but not limited to, examining, auditing, and investigating the service provider's books and records.

(b) Any civil, criminal, and administrative authority and remedies available to the department may be sought and employed in any combination deemed advisable by the department to enforce the provisions of this Article.

(c) Nothing in this section shall be construed to impair or impede the department's authority under any other provision of law.

(d) The department may examine, audit, or investigate a service provider's prior three years of records and any agreement between a service provider and the department even if the ELT permit is terminated, cancelled, or revoked.

(e) The examination, audit, or investigation may relate to any matter, including but not limited to, procedures, operations, and finances relating to the service provider's activity.

(f) Service providers shall make available to the department all of its records and reports relating to the conduct of the activity whether hard copy or stored in electronic media.

(g) Failure by service providers to comply with the provisions of this section shall be cause for immediate termination of the service provider's authorization to process transactions.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

### **§153.20. Service Provider Cancellation or Termination.**

(a) When service providers cease submitting transactions for processing for a period of six months or fail to respond to communications directed to the address and telephone number

provided to the department by the service provider, the service provider will be deemed to have voluntarily surrendered the permit.

(b) When the department determines with good cause that it will suspend or revoke the permit, the department will provide the service provider with written notice of its intent to suspend or revoke. The notice will include the justification and rationale for the proposed action.

(1) Service providers must respond within 30 calendar days from the date of the written notice to contest the proposed action prior to the action taking effect.

(A) If an emergency presents a material threat to the interest of the department or the public, the department may take immediate action and provide a 30 calendar day notice for an opportunity to appeal the decision after the action is taken.

(2) Service providers that have had their authority suspended or revoked, or who have surrendered their ELT permit, shall not transmit to or receive information from the department through the electronic interface of the ELT Program.

(c) When service providers withdraw from the ELT Program, they shall notify the department in writing at least 90 calendar days prior to the withdrawal and shall convert their electronic titles to paper titles using the ELT process prior to withdrawal.

(1) The department may charge a fee in the amount of the current cost of issuing a paper title when an ELT Service Provider fails to convert prior to withdrawal, revocation, or surrender of its right to participate in the ELT Program.

(A) The department will bill the ELT Service Provider for the cost of title conversion.

(B) The bill will be paid within 30 calendar days of receipt.

(d) When service providers terminate from the program, the service provider will:

(1) Deliver a file of all stored data files to the department.

(2) Physically destroy or electronically erase (degauss) the medium containing department information when and as directed by department.

(e) Service providers will retain records for three years after withdrawing from the program.

NOTE: Authority cited: Sections 1651, 4450.5, and 9255 Vehicle Code. Reference: Section 4450.5, Vehicle Code.

### **§153.22. Participant Cancellation or Termination.**

(a) The application for voluntary ELT Program participants shall be valid until the company withdraws or terminates from the program.

(1) When a participant withdraws participation in the program, the participant shall:

(A) Notify the department in writing at least 90 calendar days prior to going out of business.

(B) Convert all electronic titles to paper titles.

(2) Voluntary ELT participants can be terminated by the department upon giving a 30 day written notice with reason(s) to the participant:

(A) The department shall notify the ELT participant and their ELT Service Provider by notice.

(B) A lender who is voluntarily enrolled in the ELT program that receives notification of termination shall work with their service provider to convert existing electronic titles to paper titles.

(C) Upon notification of the participant's termination, the service provider shall work with the participant to convert the existing titles and then shall not transmit any further information through the electronic interface from the participant to the department.

(b) Mandatory participants may terminate participation in the program only if they cease doing business in this state.

(1) Mandatory participants withdrawing from the ELT Program because they cease doing business in this state shall notify the department in writing at least 90 days prior to withdrawing and shall convert their electronic titles to paper titles using the ELT process prior to withdrawal.

(c) Participants will continue to be obligated to comply with these regulations particularly with regard to information security and facilitating audits.

(d) Participants will retain records for three years after withdrawing from the program.

NOTE: Authority cited: Sections 1651 and 4450.5 Vehicle Code. Reference: Section 4450.5, Vehicle Code.